

East Asians See Europe's Power On the Decline Region's Leaders Poised To Give Kohl the Message

By Michael Richardson
International Herald Tribune

SINGAPORE — When Mahathir bin Mohamed, the prime minister of Malaysia, thinks of Europe these days, he professes to see a continent handicapped by a high cost structure that puts it at a permanent disadvantage vis-à-vis more efficient economic competitors in Asia.

Lee Kuan Yew, Singapore's elder statesman, worries that Europe is becoming increasingly inward-looking as it tries to solve a post-Cold War surge of ethnic tension, mass migration and other problems at a time of economic slowdown.

Europe, says Noordin Sovie, director-general of the Institute of Strategic and International Studies in Kuala Lumpur, is becoming so "tied down by the emerging market economies and learner democracies of Eastern Europe" that it is retreating from world affairs.

He says the only powers that are likely to play a larger role on the international stage in the next decade than they play now are Japan and China.

These views of the European Community as a declining global player are expressed with increasing frequency in East Asia.

The point seems certain to be made forcefully with Helmut Kohl, Germany's chancellor, when he begins a tour of Singapore, Indonesia, Japan and South Korea on Monday. Mr. Kohl arrived in India on Friday on the first leg of his visit to Asia.

The visit has been planned for October, but Mr. Kohl postponed it in September when turmoil hit the EC's exchange rate mechanism, threatening plans for monetary union in Europe.

German officials said that Mr. Kohl, who will be accompanied by a delegation of senior German business officials, will be seeking to strengthen commercial and political relations between Germany, which has Europe's biggest economy, and the rapidly growing markets of Asia.

Trade between the EC and East Asia more than tripled in the 10 years that ended in 1990, to \$246 billion. European investment in the region is also substantial.

However, many East Asian policymakers worry that difficulties and divisions in the EC will lead not only to diminished European trade and investment in Asia but to increased protectionism in Western nations whose markets provide a major outlet for the goods of East Asia.

Europe, a Japanese official said, is setting the pace for global trade policy.

There are doubts about the future of U.S. trade policy toward Japan, China and other countries that have persistent trade surpluses with the United States. And there is also concern that a decline in Europe's economic presence in East Asia will leave Japan unchallenged economically in the region.

The impasse in the Uruguay Round of negotiations that were

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SOMALI WEAPON — Children posing Friday around a missile, one of six the Marines found near Mogadishu. As UN forces take over, their mandate will be extended to include disarming factions. Page 2.

Greenspan Backs Clinton Deficit Plan He Says Federal Reserve Won't Raise Interest Rates and Choke Recovery

By Lawrence Malkin
International Herald Tribune

NEW YORK — The chairman of the Federal Reserve Board, Alan Greenspan, threw his weight behind the Clinton administration's economic program on Friday and indicated that the U.S. central bank would not choke off recovery with higher interest rates out of exaggerated fears of inflation.

"It is a serious proposal, its baseline economic assumptions are plausible, and it is a detailed program-by-program set of recommendations as distinct from general goals," Mr. Greenspan told the Senate Banking Committee in his semi-annual state-of-the-economy testimony to Congress. The Federal Reserve Board head is the United States' most important economic policymaker after the president.

In questioning by the panel, Mr. Greenspan also did his best to duck a partisan debate about whether it was better to cut the deficit by cutting spending or raising taxes, although as a Republican he has long favored lower spending.

Like his predecessor, Paul Volcker, who had also pleaded with Congress that cutting the deficit was the best way to cut interest rates and prompt long-term economic growth, he seemed delighted that a president had placed "on the table for active debate the issue of our burgeoning structural budget deficit."

More concerned that it might do too little rather than too much, he brushed aside Democratic fears that deficit-cutting might drag down the economy by saying, "To assume that Congress and the president would cut the deficit too much is not, in the words of my predecessor, something I would lose any sleep over."

Mr. Greenspan also gave his support to an underlying theoretical assumption of President

Bill Clinton's plan: that although cutting the deficit will indeed squeeze the economy, it will also bring down long-term interest rates, and the lower cost of capital to businesses and homeowners would then combine with the new economic climate to become what the Fed chairman said could turn out to be "a very powerful positive force."

All this represented an important vote of confidence for Mr. Clinton who, along with

Clinton's economic wish list has a lot of 'ifs' to overcome first. Page 3.

U.S. business is divided on the impact of Clinton's tax proposals. Page 7.

Vice President Al Gore and cabinet members, has begun campaigning across the country to sell his economic program.

On Friday, Mr. Clinton told a town meeting in Chillicothe, Ohio, that he would not raise "a penny in taxes, if we're not going to do the cuts" in spending called for in his plan.

When a questioner asked why the plan opted for an energy tax rather than a national sales tax, Mr. Clinton said that the United States "still has the lowest energy costs by far" among the world's industrial nations.

As for a national sales tax, known as a value-added tax, he said he rejected it as "a radical change in the tax system."

But he did not reject the possibility outright. "It is something I think we may well have to look at in the years ahead," he said, as part of a possible restructuring of the tax system.

Later, Mr. Clinton was to travel to Hyde Park, New York, the ancestral home of Frank-

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Refugee Chief Overruled on Bosnia Aid Convoys

Compiled by Our Staff From Dispatches

UNITED NATIONS, New York — Secretary-General Butros Butros Ghali, overruling the top UN relief official for Bosnia-Herzegovina, on Friday ordered the resumption of humanitarian aid, which had been suspended earlier this week.

The Security Council also voted unanimously to give UN peacekeepers under fire in Croatia the right to fight back. The resolution authorizes all UN troops deployed in Bosnia-Herzegovina, Croatia and Macedonia — a total of 23,000 soldiers — to use force for self-protection under Chapter VII of the UN Charter.

Mr. Butros Ghali and the Security Council acted as their initiatives in the Balkans ran into greater difficulties: A peace agreement in Croatia has fallen apart, humanitarian aid in Bosnia-Herzegovina has been brought to a halt

and peace negotiations at UN headquarters have made no headway.

Bosnian Serbs on Friday halted an aid convoy heading for the besieged Muslim town of Zepa, dampening hopes that convoys would reach Muslim enclaves in eastern Bosnia.

Mr. Butros Ghali indicated Friday that the UN high commissioner for refugees, Sadako Ogata, had overstepped her authority in shutting down most of the relief operation Wednesday.

"I am supposed to direct this operation," Mr. Butros Ghali said after a Security Council meeting.

"I already sent a message to Mrs. Ogata asking her to resume it," he said, meaning the aid.

One of Mrs. Ogata's spokesmen, Ron Redmond, said from Geneva that he had not heard about Mr. Butros Ghali's announcement and would look into it.

In suspending the operation, Mrs. Ogata cited frustrations that Serbs were not allowing convoys into eastern Bosnia and that Muslims refused to distribute food in Sarajevo unless the United Nations forced its way into starving towns in the east.

The Bosnian government reacted enthusiastically to Mr. Butros Ghali's decision and implied that it might act as soon as Saturday to lift the blockade it has imposed on the delivery of relief supplies to Sarajevo.

Mr. Butros Ghali's announcement was the latest twist in the power struggle between Mrs. Ogata and other diplomats over the Bosnian relief operation. His characteristically blunt assertion of his authority raised questions about Mrs. Ogata's future as high commissioner.

Mrs. Ogata suspended the relief deliveries without consulting the Security Council.

Although the Security Council issued a statement Wednesday evening demanding that the

Bosnian factions give Mrs. Ogata their full cooperation to let aid be delivered, her announcement had obviously caught them by surprise.

As for the aid situation on the ground in Bosnia, three relief trucks with supplies for Zepa were blocked at Borika by Serbian forces, and the Serbs told the convoy drivers they could not proceed until Muslims "lay down their arms," another UN High Commissioner for Refugees spokesman, Christiane Berthiaume, said in Geneva.

Hopes had been raised earlier Friday that the commissioner's aid convoys would be allowed through to the Bosnian Muslim enclaves and that this would prompt authorities in Sarajevo to lift their ban on accepting humanitarian aid.

The Bosnian government has called for a boycott of humanitarian aid until supplies get through to the eastern enclaves. The Bosnian

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Will Congress Say 'No' Again?

By Dan Morgan
and Walter Pincus
Washington Post Service

WASHINGTON — President Bill Clinton's deficit reduction plan rests in part on his ability to persuade Congress to cut billions of dollars' worth of programs and projects that the Democratic-controlled House and Senate repeatedly have refused to eliminate or reduce in the past.

The president's proposed \$150 billion in nondefense cuts over five years includes some bold initiatives, congressional sources acknowledge. But many of the domestic non-military items singled out by Mr. Clinton have withstood budget-cutting efforts by the two previous Republican presidents.

As a result, some Capitol Hill budget experts voiced concern about Mr. Clinton's ability to win approval for his reductions plan, an important component of the overall economic package that is designed to offset new spending in other areas as well as to engender political support for tax increases.

The danger, said a veteran budget aide to one Republican senator, is that "we'll get new spending to stimulate the economy, we'll soak the rich with higher taxes—but in terms of savings, nothing."

He added that the Clinton budget-cutting proposals "look like all the Republican budgets we've seen up here."

"They contain a lot of ideas that have been kicking around here for years and have been rejected," he said.

One example of Mr. Clinton's problem is his proposal to phase out federal construction grants to states and cities for building local waste-water treatment plants.

Mr. Clinton would obligate \$345 million as part of his 1993 economic-stimulus package, but then sharply reduce federal funding beginning next year, for a savings over five years of \$4.1 billion.

Such grants first were authorized in 1972 as the nation began to address the problem of water pollution. In 1987, Congress agreed to phase out federal involvement in the program. The states were to establish permanent revolving funds, which would make low-interest loans for continuing the construction of treatment plants.

But Congress restored grant money after President Ronald Reagan sent it a budget in 1988 eliminating the funding. And Congress added hundreds of millions of dollars after President George Bush requested sharply reduced expenditures. The current appropriation is about \$2.5 billion.

Mr. Clinton, a Democrat addressing a

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Vietnam GIs' Kids: Pawns in a Visa Quest

By William Branigan
Washington Post Service

HO CHI MINH CITY — For years after the Vietnam War, they were impoverished, often homeless, castaways known here as "the dust of life." Now they are called "the gold children."

Amerasians, the sons and daughters of Vietnamese women and American men who served here during the war, have gone from rejects to increasingly scarce, sought-after commodities.

But in the process, many of the children have become part of massive fraud against a U.S. program to resettle them and their relatives in the United States. And they often end up exploited, abused and, eventually, abandoned again in their new homeland.

A trade in Amerasians is at the core of a variety of schemes in which thousands of Vietnamese have taken advantage of the children's eligibility for quick resettlement in the United States with their "accompanying family mem-

bers." These Vietnamese often pay gold to "buy" an Amerasian, who then claims them as genuine relatives or foster families.

According to American and Vietnamese officials, the price of an Amerasian seems to range between two and five tons of gold, worth between \$800 and \$2,000. A tael is a 12-ounce (33.6-gram) unit. Sometimes this is paid to a broker or the Amerasian's real family, and sometimes directly to the Amerasian.

"I want only one thing: to go to the United States," said Dang Thi My Hanh, a Vietnamese woman who was found to have "bought" an Amerasian girl and fraudulently won a U.S. visa. Held in a refugee center in the Philippines where her scheme collapsed en route to America, she said, sobbing, "I don't want to go back to Vietnam, because I don't like the Communists."

In interviews in Vietnam, Thailand, the Philippines and the United States, American offi-

cials, refugee-aid workers and Vietnamese sources described the resettlement program, which was established under the Amerasian Homecoming Act of 1987, as permeated by fraud. The scheme starts with the purchase of the Amerasians, include bribery of Vietnamese officials throughout the process and culminate in the payment of resettlement benefits to fake families in the United States — courtesy of the American taxpayer.

There has been, as yet, no way to measure the extent or cost of the fraud. But some U.S. government and voluntary agency officials now believe that fake families may account for half of the more than 50,000 Vietnamese relatives of Amerasians who have resettled in the United States since 1989. At an estimated cost of \$6,000 per person to process, transport and resettle refugees, according to government figures, fraud on that scale would mean that more

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Hitler (What's Left of Him) in Moscow

Reuters

MOSCOW — Parts of Adolf Hitler's skull are lying in Moscow in the Russian State Archive, its director, Sergei Mironenko, said Friday, ending decades of speculation over the whereabouts of the missing remains.

"I am holding in my hands the remains of Hitler's skull," a journalist, Ella Maximova, wrote in an article in the newspaper Izvestia.

Miss Maximova wrote that the remains of the Nazi leader had been kept "in the strictest secrecy for God knows how many years, in a cardboard box marked 'Blue Ink For Pens,' together with some bloodstained splinters of wood from the sofa in Hitler's last office in the bunker."

She said she had studied six thick volumes of an investigation into Hitler's fate compiled by Stalin's NKVD security police. The files showed that Hitler and his wife, Eva Braun, killed themselves in the afternoon of April 30, 1945, as Soviet troops advanced into Berlin.

Their bodies were doused with gasoline and set on fire in the gardens of the Reich-

kanzlei, and were then thrown into a hole and thinly covered with earth and rubble.

The remains were found on May 4 by a Russian soldier, Ivan Churkov, when he stepped into a bomb crater in the Reichskanzlei grounds.

Hitler's final resting place has long been a subject for speculation, with persistent theories that his remains could still be in the hands of the security police or its successor.

Miss Maximova's articles, published on Thursday and Friday, were a plea for the case to be closed and for public opinion to accept what she said was proof of the Nazi leader's death. Her report said Hitler's body had been destroyed at least 20 years ago.

All that was left, she wrote, were "the jaws, full of crowns and bridges — which in May 1945 immediately allowed the dead bodies of Hitler and Eva Braun to be identified — and which rumor had it were in the State Security archives."

Today there are only fragments of skull bones, Miss Maximova wrote. "What re-

mains are parts of the back of the skull, as well as the left temple bone," she said.

Soviet authorities investigated Hitler's death for more than a year, to check whether he might not have escaped by substituting a double. They questioned Hans Lingg, his butler, who was one of the few people to see the dead leader's body. But the investigation ended in 1946 with a question mark.

"All the evidence supports the evidence of Lingg and others that Hitler met his end by suicide," Miss Maximova quoted the report as saying. But it added that "the commission finds it impossible to draw a definitive conclusion."

Drawing on Mr. Lingg's testimony, she describes Hitler's last hours and his hasty burial.

After Hitler had taken an emotional farewell of Mr. Lingg and a junior butler, advising them to run and seek refuge with the Americans, Mr. Lingg left him alone.

"After a few steps, Lingg thought better of it and went back to wait for the drama to

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Kiosk

260 Rescued Off Denmark

STOCKHOLM (AP) — A Swedish-registered hydrofoil carrying 260 people took on water in rough seas between Sweden and Denmark on Friday night, and passengers transferred to another vessel. Danish Navy rescuers said.

The Danish police said that no one was injured and that passengers remained calm after a large wave pushed out several windows of the hydrofoil Cinderella. Passengers fell from the ceiling of the passenger cabin. The hydrofoil sailed into calmer water in the lee of Flakfortet, an artificial island outside Copenhagen.

General News

Two ministers quit as Italy's corruption scandal threatens the government. Page 2.

Art

Art and artists of the early 20th century, as Guillaume Apollinaire saw them. Page 6.

Business/Finance

Tension flared again over farm trade. Page 7.

Money Report

Best bond buys, Italian profit amid scandal, semi-conductors stocks. Pages 14-15.

Index	Up	Down
Dow Jones	19.99	3,322.18
Trib Index	0.21%	91.39

Currency	Rate	Change
The Dollar		
New York	1.638	1.6315
DM	1.454	1.4475
Yen	118.32	119.15
FF	5.547	5.5057



HOW'S THE ARMY? — The Detroit Tigers' manager, Sparky Anderson, chatting Friday with John Doherty, a pitcher, on the first day of spring training in Lakeland, Florida. Page 16.

JAVICO 1550

The New Nixon Is a Major Lobbyist for the New Russia

By Serge Schmemmann
New York Times Service

MOSCOW — Old cold warriors need not fade away. Take Richard Nixon. At 80, he is battling on with much of the same fervor he showed in his celebrated jousts with Nikita S. Khrushchev 34 years ago. Only he is not fighting against Communists now, but for Russia.

In speeches, on Op Ed pages and now in Russia, the former president has become one of the most dedicated advocates of the notion that the United States must not ignore Russia now that the Communist system has collapsed.

Interviewed in the official guest house where he is staying, Mr. Nixon raved over the arguments he planned to press on business executives and politicians when he returns home.

• The new Russia is an investment in peace, prosperity and freedom.

• Success of Russia's economic and po-

liberal reforms would spell billions in investments and thousands of jobs; failure could mean redoubled military spending.

• A successful Russia would be a powerful antidote to the Chinese model, living proof for the Third World of the benefits of freedom.

Mr. Nixon couched his arguments in the hard logic of national interest — "goody friendship" and sentimentality, he declared, have no place in the upper reaches of international affairs. But there was a keenness to his arguments that belied the professions of pure realism.

This was his ninth visit to Moscow, he said, and he seemed still captivated by the land that has figured so largely in his life.

"I've been around a long time; I know Khrushchev, Mikoyan, Kosygin, Brezhnev, Gromyko and so forth," he said, listing powerful men who had run the Soviet Union after Stalin's death.

"There's an interesting thing about Rus-

sian leaders, and that includes the current crop — I have yet to meet one who is a weak one.

"They are strong, very strong. Believe me, they are strong. Perhaps it's the system, perhaps it's in the genes. I would say that under the circumstances, because they are so strong, it's quite remarkable that this revolution has occurred in a peaceful way."

What was remarkable, Mr. Nixon said, was not that President Boris N. Yeltsin's ratings were down, but that he not only remained at his post but also continued to pursue reforms in such daunting conditions.

"His popularity is down, that's quite evident," he said. "It's down because the economy is down. When you consider, just taking the number I have seen, when you consider that this country is going through a recession much deeper than the Great Depression in the 1930s in the United States, how any government could still go forward with reforms is just amazing."

However obvious his own admiration and support for the processes under way in Russia, Mr. Nixon had no illusions about the difficulty of rousing interest in an America that was turning increasingly inward. But that, he said, was a president's job.

"It's a very tough sell," he said. In the debates in the presidential campaign, he said, aid to Russia was raised in only one question to Ross Perot.

"Since then it's been dropped," he said. "The reason is polls: the latest Gallup Poll I saw found 4 percent of American people care about foreign policy — any foreign policy. Last week we had another example — Clinton appeared on a town meeting in Michigan, a national town meeting, where he took questions, no holds barred. There was only one question about foreign policy — it was about Bosnia, not about Russia at all."

"In view of that, any politician is going

to say, well, I'm going to concentrate on domestic policy. But it's the responsibility of a leader to educate the people so they will support what needs to be done. Putting it more simply, you don't take people where they want to go, you take people where they ought to go."

Foreign and domestic policy, Mr. Nixon argued, are like Siamese twins: "separate them and they die." That is what he will argue when he returns home, that if economic and political reforms fail in Russia, "you can kiss the peace dividend good-bye and you have to raise defense spending by billions instead of cutting it."

"That failure would have a far greater impact on the American economy than anything President Clinton can do with his \$50 billion here and \$50 billion there in a \$6 trillion economy."

Furthermore, he argued, the success of reforms in Russia would give "dramatic impetus to this wave of freedom that is sweeping over the world."

WORLD BRIEFS

Christopher Gets Egyptian Proposal To Expedite Return of Palestinians

AMMAN, Jordan (WP) — In an attempt to resume the Middle East peace talks, Secretary of State Warren M. Christopher will convey an Egyptian proposal to Israel suggesting that it use its appeals process to expedite the return of Palestinian deportees, senior U.S. officials said Friday.

The officials, who declined to be identified, contended that the U.S. plan to ask Israel for a new humanitarian gesture did not change the agreement struck by Mr. Christopher and Prime Minister Yitzhak Rabin of Israel two weeks ago in an effort to defuse the deportees crisis.

The officials also stressed that the idea of expedited appeals had been broached by President Hosni Mubarak of Egypt during talks in Cairo earlier Friday. They said that although the United States favored the idea in principle, it would be incorrect to assume at this point that Mr. Christopher intended to press Israel for such a gesture.

Under the U.S.-Israeli arrangement, Mr. Rabin agreed to allow the immediate return of 101 of the Palestinians deported Dec. 17. The Palestinians were accused of association with Islamic fundamentalist groups fomenting terrorism in Israeli-occupied territories.

Carter Invited to Join Korea Talks

ATLANTA (NYT) — Former President Jimmy Carter says he has been invited to enter negotiations between North and South Korea and will ask Secretary of State Warren M. Christopher next week to lift a ban imposed by the Bush administration on his involvement in the negotiations.

Mr. Carter said he had asked the Bush administration more than a year ago for permission to accept an invitation from diplomats in both North and South Korea to mediate reconciliation talks and to discuss the issue of nuclear inspections with both sides.

An aide to Mr. Carter said the State Department's decision in January 1992 against such a role for the former president appeared to have been the result of fear that Mr. Carter's involvement might have become an issue in election campaigns going on both in the United States and South Korea.

Joan Baez, Foreigner in Germany

BONN — The American folk singer Joan Baez, who was refused admission to a discotheque in Mannheim because she was foreign, has been beset with flowers and apologies from the city and the nightclub's owner, the mayor of Mannheim said Friday.

Ms. Baez, 52, was denied entry to a club when a doorman said there were too many foreigners inside already. Mayor Gerhard Widder said: "This stupidity is something that should not be allowed to happen." He added, "I sent her flowers; it was the least I could do to try and show her this is not usually our style."

In a separate matter involving Germans and foreigners, a Berlin court sentenced a 24-year-old man to three and a half years in prison for arson attacks on a hostel for Vietnamese immigrants. Six other people from 18 to 25 years old received suspended sentences of one to two years for taking part in the arson attacks and other violence against foreigners. (Reuters, AFP)

Libyan Denial on Chemical Weapons

TUNIS (Reuters) — Libya's official press agency, Janan, denied a report that Libya is building an underground chemical weapons plant.

The press agency's report said its political commentator had denied that Libya "has any thought of manufacturing chemical weapons." It thus fell short of being an official statement by Libyan authorities, who have not reacted to the report in Thursday's New York Times.

The report said Libya was building an underground chemical weapons plant near Tarhuna, 40 miles (65 kilometers) west of Tripoli, disguised as a water project. It said the plant would make and store poison gas. The U.S. State Department also condemned Libya on Thursday for what it said was its active chemical weapons program.

For the Record

The Tajik government's ground and air forces launched an offensive Friday against Islamic opposition fighters holed up in Komitaki Ushaki, a mountain stronghold 60 kilometers east of the capital, Dushanbe, Interfax news agency reported. (AFP)

TRAVEL UPDATE

A French rail strike was only partially observed Friday, the post service said in Paris, with some 13 percent of its 500,000 employees staying away from work. The strike was called to oppose a restructuring plan that will lead to 3,000 job cuts by the end of the year. (AFP)

Hundreds of thousands of Germans in the Rhine Valley are participating in a six-day carnival beginning Friday, wearing disguises, throwing confetti and quaffing prodigious amounts of beer. Throughout the Rhineland, which has more than 20 million inhabitants, cafes and bars are expected to be packed 24 hours a day during the festival. (AFP)

Heavy ozone levels continued to plague Mexico City on Friday, forcing the government to implement pollution controls, including production cuts at factories and limits on the use of certain vehicles. (Reuters)

Crowds on the French island of Mayotte in the Indian Ocean set fire to public buildings and erected street barricades on Friday to protest high cost of living. French government officials said in Paris. About 10 paramilitary police from the French mainland were sent to the island to restore order. (Reuters)

2 Aides Quit In Widening Italian Crisis

ROME — The Italian finance and health ministers resigned Friday as a corruption scandal threatened anew to topple Italy's fragile four-party coalition government.

Finance Minister Giovanni Goria, a Christian Democrat, resigned amid accusations of corruption that he denied. Health Minister Francesco de Lorenzo, a Liberal, quit after his parliamentary immunity from prosecution was lifted Thursday.

The resignations came a week after Justice Minister Claudio Martelli, a Socialist, left the government to defend himself against charges of involvement in a Milan corruption scandal.

Mr. Goria, a Christian Democrat and an important figure in Prime Minister Giuliano Amato's efforts to reshape the economy, said he would not tolerate "unfounded and unjust accusations" without being able to defend himself.

He said there was no legal inquiry against him, but he is under suspicion in connection with bribes alleged to have been paid several years ago over the building of a hospital in Asti, Piedmont.

Earlier, Mr. Amato told the Senate that his government would not resign. "Italy needs a government, it has one and a vacuum cannot be the answer Italy is waiting for," he said.

The Senate had met to debate Mr. Martelli's resignation as corruption investigations plague the political establishment. Urban Affairs Minister Carmelo Conte is also under investigation.

Ruining out early elections, Mr. Amato said an election campaign at this time of political upheaval would only create a "destructive climate" in the country.

Mr. Amato lashed out at critics seeking "to disqualify people, which is tantamount to lynching."

The statement was seen as a veiled defense of Mr. Lorenzo, a Liberal from Naples, who is under investigation for buying votes in exchange for favors or jobs in the April 1992 general elections.



CALLS FOR RUSHDIE'S DEATH — Shiite fundamentalists from Hezbollah marching Friday in Beirut to demand the death of the British novelist Salman Rushdie. They were marking the fourth anniversary of a death sentence issued by Ayatollah Khomeini against Mr. Rushdie for alleged blasphemy against the prophet Mohammed in his novel "The Satanic Verses."

UN Gains Mandate to Disarm Somalis

By Diana Jean Schemo
New York Times Service

MOGADISHU, Somalia — As the United Nations takes over leadership of the 24-nation military operation in Somalia, it will extend the mandate of foreign forces from ensuring delivery of humanitarian supplies to disarming all of Somalia as a means of rebuilding the country, the special UN envoy, Ismael Kittani, said Friday.

"The change in the mission is in contrast to the original U.S. approach to intervening in Somalia, which stressed security for humanitarian operations.

It would also be an unprecedented

mandate for the UN secretary-general to launch international operations under Chapter 7 of the UN Charter.

"In terms of the nature, size and mandate, this is a new, totally different and larger operation, and it has many new dimensions," Mr. Kittani said in an interview. "The stakes are enormously high."

Historically, UN forces have been deployed as either observers or as peacekeeping forces, and their limited rules of engagement have forbidden them to fire unless fired on. In their expanded role they will have the authority to fire when threatened.

"If we succeed, we open new

Sniping By Yeltsin And Foe in Parliament

By Steven Erlanger
New York Times Service

MOSCOW — Stepping up the rhetoric surrounding Russia's bizarre struggle for political authority, President Boris N. Yeltsin's spokesman called on parliament on Friday to replace its speaker, who had earlier rejected Mr. Yeltsin's proposals on power-sharing as a banal gamesmanship.

While Mr. Yeltsin remained on his suddenly declared vacation at his country dacha, the speaker of the Congress of People's Deputies, Ruslan Khasbulatov, was out pressing the flesh of regional leaders in the Siberian city of Novosibirsk.

He said the whole idea of a power-sharing negotiation with Mr. Yeltsin was "banal" and left him "fairly cool."

According to the constitution, Mr. Khasbulatov said, "the Congress of People's Deputies is the highest organ of power — and no one else."

Mr. Khasbulatov called again for elections by the spring of next year for both the presidency and the Congress of People's Deputies. He also accused Mr. Yeltsin of gamesmanship over a proposed referendum on a new constitution that would delineate the rights and responsibilities of the executive and legislative branches.

"If he wants a referendum, then let's have one," Mr. Khasbulatov said. "If he doesn't, he should say so. I don't understand these games."

This week, the two men decided to appoint a panel to work out a compromise that would make a referendum unnecessary. But Mr. Yeltsin, in a taped address to the nation broadcast Thursday night, set out proposals that would not so much share power with the legislature as neutralize it.

The harsh call on Friday for the speaker's replacement, coming so soon after reports of Mr. Khasbulatov's comments in Siberia, appeared to be part of an effort to discredit the speaker, who is unpopular among Russians.

"It is becoming clear that R. Khasbulatov is increasingly discrediting himself as a party in the negotiations, as a politician with whom Russia can do business," said Mr. Yeltsin's spokesman, Vyacheslav Kostikov.

RELIGIOUS SERVICES

AMSTERDAM	SWITZERLAND	HAMBURG	ASSOC. OF INT'L CHURCHES IN EUROPE & MIDEAST
CROSSROADS INTERNATIONAL CHURCH (Evangelical) Sunday Services 10:30 a.m. / Kids Welcome. Co-Chairman: J. S. Amersfoort. Tel: 020-40-15316 or 020-93-41393.	ST. ANTON - ENGLISH-SPEAKING CATHOLIC MISSION. Services: 5:30 p.m. Sunday & 11:15 a.m. Sunday. Local: 63 Westendstr., near Kneppelerplatz. Tel: 332-02-03.	INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at TAGEA FESTHALL, Am Markt 18, Hamburg-Ohlsdorf. Bible Study at 11:30 a.m. & 7:30 p.m. each Sunday. Tel: 040-820616.	BERLIN AMERICAN CHURCH IN BERLIN, cor. of Clay Alley & Potsdamer Str., S.S. 820 a.m., Worship 11 a.m. Tel: 030-6132021.
BARCELONA INTERNATIONAL BAPTIST CHURCH meets at Tr. des les Corts, 040-014, 2, Sunday worship 11:00. Dr. J. Maria Nelson, pastor, phone 4101881.	TOKYO ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Nishi-Shinjuku. Tel: 3261-3740. Worship Service: 9:30 a.m. Sunday.	HOLLAND TRINITY BAPTIST S.S. 9:30, Worship 10:30, nursery, warm fellowship. Meets at Bloemendaal 84 in Wassenaar. Tel: 071-757824.	BRUSSELS THE INTERNATIONAL PROTESTANT CHURCH OF BRUSSELS, Sunday School 9:30 a.m. and Church 10:45 a.m., 677.05.81, 19 (at the Int. School). Tel: 729.05.81, Bus 95, Tram 94.
BREMEN INTERNATIONAL BAPTIST CHURCH (English language) meets at Evangelische Kirche Kneppelweg, Hohenlohestrasse Hermann-Bode-Str. (around the corner from the Bahnhof) Sunday worship 11:30. Ernst D. Weiler, pastor. Tel: 04751-12577.	BERLIN INTERNATIONAL BAPTIST CHURCH, Berlin, Pflanzberg str. 13, 1000 Berlin 41 (Steglitz). Bible study 10:45, worship at 12:00 and 18:00 each Sunday. Charles A. Warburton, Pastor. Tel: 030-774-4670.	KRAKOW INTERNATIONAL BAPTIST FELLOWSHIP, J. Wyzwolenia 4, First Sunday each month, 6:30 p.m., Gustav Clemer, coordinator. Tel: 33 23 05 + 08 49 32.	COPENHAGEN INTERNATIONAL CHURCH of Copenhagen, 27 Fæløvej, Vester, near Rådhus, S.S. 10:15 & 18:00. Tel: 3333.4755.
BUCHAREST INTERNATIONAL BAPTIST CHURCH, Strada Popea Pusu 22, 5:30 p.m. Contact Bill Richards, Tel: 010-91-61.	BONN/KÖLN THE INTERNATIONAL BAPTIST CHURCH OF BONN/KÖLN, Pflanzberg Strasse 9, Köln. Worship 1:30 a.m. Calvin Hoops, Pastor. Tel: 02238-47021.	MUNICH INTERNATIONAL BAPTIST CHURCH OF MUNICH, Holzer 9, English Language Service. Bible study 10:30, Worship Service 17:30. Pastor's phone: 6936394.	FRANKFURT INTERNATIONAL CHURCH of Copenhagen, 19 (at the Int. School). Tel: 729.05.81, Bus 95, Tram 94.
COTE D'AZUR CORNERSTONE CHRISTIAN FELLOWSHIP worships at Hotel Medafrica, Sophia-Antipolis, 10:30 a.m. Sunday; nursery, Sunday school; tel: 93.65.64.54.	BUDAPEST International Baptist Fellowship, II Birtok u. 55 (first entrance Tapocskany) u. 7, immediately behind front entrance, 10:30 Bible study, 6:00 Thomas, pastor. Call: 47.51.29.83 or 47.48.15.29 for information.	PARIS AND SUBURBS EMMANUEL BAPTIST CHURCH, 59 Rue des Bains-Français, Rue-Malmation, An Evangelical church in the English speaking community located in the western suburbs. S.S. 9:45, 10:45, 12:45, Children's Church and Nursery, Youth ministries Dr. B.C. Thomas, pastor. Call: 47.51.29.83 or 47.48.15.29 for information.	GENEVA EV. LUTHERAN CHURCH of Geneva, 20 rue Verdaine, Sunday worship 9:30, in German 11:00 in English. Tel: 022-310.50.82.
FRANKFURT CHRIST THE KING, (Evangelical/Anglican), Biedersteinerstr. 22, U. 23 Haupt-Allee, Sun. Holy Communion 9 & 11 a.m., Sunday School and Nursery 10:45 a.m.	BULGARIA INTERNATIONAL BAPTIST CHURCH, Sofia, Grand Narodno Soborino Square, Worship 11:00. Charles Currie, Pastor. Tel: 704367.	PRAGUE International Baptist Fellowship meets at the Czech Baptist Church Vinohrady 6 68, Prague 3. At metro stop Jirchova Podestek Sunday a.m. 11:00 Pastor: Bob Ford (02) 511 0258.	LONDON AMERICAN CHURCH in London at 79 Tottenham Court Road, London W. 1P 8 at 9:45 a.m. & 11:00 a.m. Goodge street tube; Tel: (01) 5302791.
MADRID COMMUNITY CHURCH, Worship and Church School at 11:00 a.m., Pache Darian 34, (August, Orens and Gan, Yague), International, English Speaking. Tel: 320-0176.	CELLE/HANNOVER INTERNATIONAL BAPTIST CHURCH, Friederichs-Platz, 15, Cells 52 12:45, 18:00, 20 min. Drive, 20 min. by train from Hannover, walking distance from Celle train station. Contact Andy Earl. Tel: 05141-83785.	WUPPERTAL International Baptist Church, English, German, Persian, Worship 10:30 a.m., Sabbath 21, Wuppertal - Elberfeld, All denominations welcome. Hans-Dietrich Freund, pastor. Tel: 02029-983934.	MOSCOW MOSCOW PROTESTANT CHAPLAINCY, Upper Hill, U.L. Little Palace S, Bldg. 2, Workshop 9-11 a.m. S.S. Tel: 143-3982.
MONTE CARLO INT'L FELLOWSHIP, 9 Rue Louis-Notari, Sunday Worship 11:00 & 6 p.m. Tel: 92.16.58.00.	DARMSTADT DARFSTADT/BERGSTADT BAPTIST MISSION, Bible study & Worship Sunday 10:30 a.m., Stadtkirchhof De-Buschstr. 1, Busschstr. 22, pastor. Tel: 06187-91883 (pastor) & 06181-88702 (secretary).	ZURICH INTERNATIONAL BAPTIST CHURCH of Waldens (Zürich), Switzerland, Rosenbergstrasse 4, Worship Services Sunday morning 11:00. Tel: 7702912.	OSLO American Lutheran Church, Fribergstg. 15, Workshop & Sunday School 11 a.m. Tel: 029443584.
PARIS AND SUBURBS THE AMERICAN CATHEDRAL (Evangelical-Anglican), Sun. 9 & 11 a.m. Sunday School for children and nursery care at 11 a.m. 29, rue. George V, Paris 6. Tel: 47 20 17 82. Metro: George V or Alma-Marcouss.	FRANKFURT INTERNATIONAL CHRISTIAN FELLOWSHIP, Evangelische-Friedrichstrasse Gemeinde, Söppelstr. 11-16, 690 Bad Homburg, phone: 06194-2270 or 06195-643333 serving the Frankfurt and Taunus areas, Germany. Sunday worship 09:45, nursery + Sunday school 10:00, women's dept. - Friday 09:30. Homegroup - Sunday + Wednesday 19:20. Pastor M. Levey, member European Baptist Convention. "Declare His glory amongst the nations."	STOCKHOLM EMMANUEL CHURCH, Worship Christ in Swedish, English, or Korean, 11:00 a.m. Sunday, Snicker, Järnberg, at Kungälvstg. 17, 40080 / 15 12 25 x 727 for more information.	PARIS AMERICAN CHURCH IN PARIS, Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7, Bus 63 at door, Metro Alma-Marcouss or Invalides.
HOPE INTERNATIONAL CHURCH (Evangelical), Sun. 9:30 a.m. Hotel Orion, Metro 1: Espinasse de La Defense. Tel: 47.73.53.54 or 47.75.14.27.	DÜSSELDORF INTERNATIONAL BAPTIST CHURCH, English, s.s. 10:30, worship 11:05, Children's Church and nursery, Meets at the International School, Leuchtturmburg Kirchweg 2, D-40559, Düsseldorf. Family fellowship. All denominations welcome. Dr. W.J. Daley, Pastor. Tel: 0211400 157.	VIENNA VIENNA COMMUNITY CHURCH, Sunday worship in English 11:00 A.M., Sunday School, nursery, International, all denominations welcome. Dorotheergasse 16, Vienna 1.	WARSAW WARSAW INTERNATIONAL CHURCH, Protestant English language services, Sundays 11:00 a.m. (Sept-May), 10 a.m. (June-Aug); Sunday School 9:25 (Sept-May) U.L. Hadoway 21, Tel: 49-29-70.
SAINT JOSEPH'S CHURCH (Roman Catholic), Messes Saturday Evening 6:30 p.m., Sunday, 9:45, 11:00, 12:15 and 8:30 p.m., 50, avenue Hoche, Paris 8th. Tel: 4227.28.59. Metro: Charles de Gaulle - Bois.	BETHEL INTERNATIONAL BAPTIST CHURCH, Am Dachsberg 92, Frankfurt a.M. Sunday worship 11:00 a.m. and 6:00 p.m., Dr. Thomas W. Hill, pastor. Tel: 059-546352.	ZÜRICH INTERNATIONAL PROTESTANT CHURCH English speaking, workshop service, Sunday School & Nursery, Sundays 11:30 a.m., Schanzengasse 25, Tel: (01) 252525.	UNITARIAN UNIVERSALISTS UNITARIAN UNIVERSALIST fellowship & contacts in Europe include: BARCELONA: Apartado de Correos 27305, 08080 Barcelona, Spain. Tel: 03 3149154. SWITZERLAND: Tel: (02) 690226. FRANKFURT/GERMANY: (0611) 719461. GENEVA/FRANCE: (022) 7741989. NETHERLANDS: (49) 8222-7 3716 or (49) 8205-18498. MUNICH: (49) 821-47-2488. NETHERLANDS: (073) 408205. PARIS: (33) 1-42-77-5877.

BUDGET: Now for the Hard Part — Persuading Congress to Go Along

(Continued from page 1)

Democratic Congress, evidently hopes to have more success. But in many cases, sources noted, Congress has resisted cuts not just to thwart a president of the opposing party, but because powerful interests and constituents back the threatened projects.

For example, Mr. Clinton has proposed a 2 percent fee on Veterans Administration loans, for a \$620 million savings by 1998. But this has been rejected in the past by the powerful veterans lobby.

Similarly, the new president wants to terminate the Tennessee Valley Authority's fertilizer-research activities, saving \$188 million over five years. Mr. Bush failed last year in an attempt to cut back on this program because of the Valley Authority's support on Capitol Hill.

President Clinton is figuring on saving some \$15.6 billion over four years through a still-vague proposal called "streamlining government." The biggest element of that is a planned

cut of 100,000 federal civilian employees — an achievement that eluded Mr. Reagan in the early 1980s.

Some critics suggested that Mr. Clinton does not cut deeply enough in some places.

For years, Republicans have been trying to eliminate the Rural Electrification Administration, set up in 1935 to bring electric power, and later telephones, to rural America. Critics charge that its job has long since been completed, and that the agency has strayed far from its original purpose.

Mr. Clinton stopped well short of trying to kill the agency, however, opting instead to increase the interest rates of its loans.

The president has little room for compromise on such cuts if he is to balance the new spending, he envisions. For example, in the 1997 budget, which would be in effect when he seeks a second term four years from now, the savings on non-defense programs are expected to be only about \$13 billion more than spending

added for new "investments" in the long-term growth of the economy.

Any slippage in the proposed cuts — revelations that some of them were more than 1995 Republican opponent.

In other areas, Mr. Clinton has targeted Congress's practice of earmarking money for favorite states or regional projects — dams, road construction and post offices.

Representatives and senators see these programs as important means of maintaining bonds with their constituents, and as vital to re-election. By sprinkling such earmarked projects throughout legislation, committee chairs and congressional leaders gather votes and support for bills. In challenging Congress's prerogative in this area — while proposing his own vast program of new spending for local projects under the rubric of "stimulus" and "new investment" — Mr. Clinton seems to some observers to be risking a clash with congressional bar-

CLINTON: Greenspan Throws His Weight Behind Economic Program

(Continued from page 1)

lin D. Roosevelt, the president who brought the country through the Depression.

Mr. Greenspan also made a symbolic gesture this week by sitting next to Hillary Rodham Clinton in the presidential box while her husband delivered the State of Union Message, an unusual move that was remarked on by committee Republicans. Democratic senators thanked him.

The financial markets had little reaction to Mr. Greenspan's testimony on Friday. The Dow Jones industrial average was up about 20 points, but mainly for technical reasons. Long-term Treasury bonds continued to yield near record low interest rates in response to Mr. Clinton's program to cut the federal budget deficit by \$140 billion over five years by raising taxes on energy and on the rich, and by cutting spending on obsolete government programs.

Mr. Greenspan also was engaged in several important and highly technical debates with monetarist theoreticians on the one hand, and Democrats facing re-election next year on the other.

On the technical side, he announced that the central bank was cutting by one-half of a percentage point its targets for the growth of the

broad M-2 money supply this year, from 2 percent to 1.5 percent. The Fed has had a hard time hitting the higher target, he said, because of changes in the structure of American finance due to weak banks, low interest rates and an unexplained break in the link between M-2 and the growth of incomes.

Democrats had expressed fears that the Fed would raise interest rates to hit the lower target, but Mr. Greenspan told them not to worry because the central bank would monitor several financial indicators and not just one.

He explained: "These reductions do not indicate a desire on the part of the Federal Reserve to thwart the expansion. The Federal Reserve, on the contrary, is endeavoring to conduct monetary policy in a way that promotes sustainable economic expansion."

Congressional Democrats are worried that if they approve the president's package to cut the deficit, their party will carry the political burden for the slower growth that is sure to result.

Mr. Greenspan also gave little comfort to Republicans who have said that the government should bring down the deficit by cutting spending first and raising taxes afterward to pay for new programs.

In an attempt to keep the Fed out of the

political crossfire, he refused to involve him in the composition of the program or its details. "This is a political debate, not the big meaning of the term," he said. "I don't think the central bank should get involved in it."

Treasury Secretary Lloyd Bentsen, in a speech in Washington, said that he also would prefer more budget cuts than the program, but "that was the best I could get," he was delighted to have it.

"I thought it was important that that we get more in the way of savings than in revenues, and it was a close call," he said.

The plan is about equally divided between cuts and taxes, although Leon E. Panetta, White House budget director, had aimed a ratio of 2 to 1 in favor of expenditure cuts.

In congressional testimony on Friday, Panetta warned that more taxes might be necessary to help pay for extending health care to 32 million people not covered. Although some members of the administration felt health-care reform would save enough to cover the uninsured, he felt it was not therefore would suggest raising "taxes on those on cigarettes and alcohol."

"It's a little bit early to say, but I suspect some of the 'sin taxes' probably are going used for that," Mr. Panetta said.

FIRST 100 DAYS / BOLD CHALLENGES

POLITICAL NOTES

A Visitor Who Gives FDR Library Connections

HYDE PARK, New York — Verne Newton, director of the Franklin D. Roosevelt Library here, received the strangest phone call at his home last Sunday afternoon.

It was from a guard at the library who said that some telephone company technicians were at the front gate and needed permission to install 20 new phone lines. Immediately.

To the amazement of the guard, and of Mr. Newton, the president of the United States was planning to come to town Friday to sell his economic plan.

By the way, he wanted to stop at the library that housed memories of another president who had led the nation through other difficult times.

Forty-five minutes later, the White House called Mr. Newton to confirm that the trip was under consideration.

And less than an hour after that, a presidential advance team was knocking on his door. (NYT)

Deft Hand on Clinton's Electronic Cue Card

WASHINGTON — President Clinton knew he had caused a little bit of trouble with his often extemporaneous hourlong State of the Union Address. Afterward, he telephoned to thank the aide who was responsible for rolling the text of the prepared speech on the Teleprompter for the president to read.

It had been up to Air Force Staff Sergeant Rodney Kipping to know when to stop the machine — while Mr. Clinton spoke off-the-cuff — and to resume rolling the text when the president returned to his prepared remarks.

"The man must have been having a heart attack," said Frank Greer, a Clinton campaign adviser. (LAT)

For Government Scandals, an Old Boys' Club

WASHINGTON — There they were, former criminal defendants from three scandals spanning two decades — Iran-contra, Watergate and a lesser-known affair from the Reagan era known as Wedtech.

From Caspar W. Weinberger and Lyn Nofziger to G. Gordon Liddy, all were seated at the head table Thursday night for a "Salute to Cap Weinberger" at the 20th annual Conservative Political Action Conference.

"My little problem with the U.S. government cost \$1.8 million," Mr. Nofziger, a former White House aide, confided to the audience of several hundred people shortly before he received a check from conservative groups to help defray his legal expenses.

Mr. Weinberger, along with the former CIA official Clair E. George, and the former State Department official Elliott Abrams, picked up checks, too, and were honored as patriots.

Mr. Liddy — who was indicted in the bungled Watergate burglary — wasn't being honored. But he got to sit with the others by virtue of his involvement in conservative causes over the years.

He was the only one at the head table who had spent time in prison — four years.

Mr. Weinberger, Mr. George and Mr. Abrams were among the six Iran-contra figures granted Christmas Eve pardons by former President George Bush.

Mr. Nofziger, the former political director of the Reagan White House, was convicted for lobbying his former colleagues on behalf of the scandal-plagued Wedtech Corp. and other companies too soon after he left the government.

His convictions were reversed on grounds that the indictment was invalid.

"I look up and down the table and I see I'm the innocent one," Mr. Nofziger joked. (AP)

Some Repartee a Senator Keeps to Himself

WASHINGTON — Funny thing about great dialogues that occur on the floor of the congressional chambers — the really great ones never quite make it into the Congressional Record.

On Wednesday Senator Jesse Helms, Republican of North Carolina, and his ideological nemesis Senator Edward M. Kennedy, Democrat of Massachusetts, were debating whether foreigners who have AIDS should be allowed residency in the United States.

Mr. Kennedy had just finished arguing rather loudly (and ultimately unsuccessfully) on their behalf, when Mr. Helms rose from across the aisle, twisted the knob on his hearing aid and said:

"I do not adjust my hearing aid. It could not accommodate the decibels of the senator from Massachusetts. I can't match him in decibels or Jeezels, or anything else apparently."

When the Congressional Record — the daily digest of floor activity — came out Thursday, the line about Jeezels had been deleted.

A spokesman for Mr. Helms — who has the right to adjust his comments before publication — had no explanation. (WFP)

Quote-Unquote

Carla Green, a waitress in St. Louis, Missouri, on one aspect of Mr. Clinton's deficit-reduction plan:

"That itty-bitty energy tax is like the difference between whether my son and I order a pizza in the house one night, or not. My dad, who is in the income bracket that is going to be affected, said to me: 'You're going to give up a pizza. I am going to give up a \$200 dinner with wine, but we've all got to do something.' It's just the way it is." (NYT)



President Clinton greeting a crowd in St. Louis after giving a speech on his economic agenda.

The Long Clinton Wish List: A Lot of 'ifs' to Be Overcome

By R. W. Apple Jr.

New York Times Service

WASHINGTON — It is a staggeringly long agenda that President Bill Clinton has laid before Congress and the nation, and his aides say he plans to press for much of it in his first year in office.

Not only does he intend to undo the Reagan revolution by increasing taxes, slashing the military budget,

NEWS ANALYSIS

trimming spending here on some old projects, increasing it there on some new ones; he also proposes to create an entirely new system of health care, to reform campaign laws, to launch a service corps, to "end welfare as we know it," to impose gun controls, and on and on.

The last president to try anything on that scale was Lyndon B. Johnson, and he had a lot of things going for him that Bill Clinton does not have.

But Mr. Clinton believes that after months of talking about change, the moment for action is at hand, a genuinely pivotal moment for the nation, and that only a bold challenge from the White House stands a chance of success.

As a senior White House strategist said Thursday, "The voters gave us a mandate for change. If they did anything, and we have to make everyone and everything that stands in our way look like a roadblock on the highway to the progress the country demands."

So Mr. Clinton expresses exasperation with "all the naysayers" and earnestly seeks the cooperation of Ross Perot. Together, with both opposing the status quo, they won 62 percent of the popular vote last year; together, they might move Congress in their direction.

In an interview Thursday, Mr. Perot outlined an agenda that goes well beyond the president's, which could help Mr. Clinton by making his list of programs seem a more temperate alternative.

But Mr. Perot is not ready to put his stamp of approval on the Clinton plan, and even if he did it is not clear that he can transform votes for him into effective pressure on Republican and Democratic members of Congress.

Much will depend on how deeply the nation believes that the mushrooming deficit represents a true national crisis, and how persuasively it communicates its feelings to Capitol Hill.

In the two years that Mr. Johnson pushed through the main elements of his Great Society legislation, he benefited from a sense of crisis brought on by the civil rights movement and from the shock delivered to the national psyche by the assassination of President John F. Kennedy.

Mr. Johnson was able to push through his programs not only because of a mood of national peril, but also because of huge majorities in the Senate and the House that Mr. Clinton simply does not have.

The Democrats began 1965 with a 36-seat majority in the Senate and a 118-seat majority in the House. This year the Democratic majorities are 14 and 84, which means the president will have to work much harder to keep his party in line.

That is no longer as easy as it was 30 years ago. The evolution of the mass media has made direct communication between voter and representative more important, in many cases, than the influence of the White House. Party leaders on Capitol Hill no longer control very many votes.

If the radio and television talk shows begin over the next week or so to produce a consensus unfavorable to the president — if, for instance, the idea takes hold that the new taxes are sure to materialize and the spending cuts may not — the fairly solid Democratic front may start to crumble.

A special target for Mr. Clinton is the lower-middle-class suburban voter. In the thousands, these so-called Reagan Democrats deserted President George Bush last fall, voting either for Mr. Clinton or for Mr. Perot.

William Kristol, who was chief of staff to Vice President Dan Quayle, commented Thursday that Mr. Clinton tried Wednesday night to convince them that government could again be their friend by distributing the tax burden as he did and by emphasizing government programs of direct help to them, like education and jobs, and not divisive social initiatives.

But such voters, whose decisions to give Mr. Clinton a try made it possible for him to carry such swing states as Ohio, Michigan, Illinois and Missouri, remain highly skeptical about government and its propensity to tax.

Equally dangerous to Mr. Clinton, as he himself said candidly Wednesday night, is the possibility that the legislators might start to pick the package apart under pressure from constituents or lobbyists or both, choosing to accommodate one industry but not another, to penalize one interest group but not another — and undo a very subtle, careful political balancing act.

A Salesman's Pitch in Friendly Territory

By Richard L. Berke

New York Times Service

CHILLICOTHE, Ohio — Like any good traveling salesman, President Bill Clinton knows the wisdom of staying clear of hostile customers. And he seemed to pick the right territory to peddle his economic remedy: friendly, even awe-struck audiences, carefully stocked with Democrats.

Yet beneath the ovations, beneath the roars of approval, there was a skepticism among many people who have heard Mr. Clinton's hand sell firsthand over the last two days.

In interviews with about 30 people who attended the president's question-and-answer session at a high school here, or his speech in St.

Louis on Friday, there was praise for Mr. Clinton's boldness in proposing tax increases and then personally confronting people who would have to pay them.

But again and again, those questioned said they wanted proof that the administration, and the Congress, would do its share to trim spending.

"I don't want to wake up in four years and have him tell me, 'Uh oh,'" said Jeri Sexton, a homemaker who voted for Mr. Clinton. "I want to trust him, but I still need to see the facts and figures."

Peg Grimes, a zookeeper and homemaker on her family's farm near here, said Mr. Clinton's one encouraging remark was his explanation

that he did not want to raise taxes without making cuts. But, she said, "I'm just uneasy. We're used to tax and spend. He's talking tax and spend and cut. We'll see."

Mr. Clinton once again showed his skill at connecting with people. On Friday, he stood at the edge of the podium, microphone in hand, looking earnest and concerned at he looked gazes with his questioners.

His audience in St. Louis had been made to look heterogeneous but was sprinkled with partisans. Even so, many of those who came uninvited, or out of curiosity, seemed encouraged.

"Even if it's a lot of window dressing, at least he's trying," said Christy Marshall, who voted for him. "It's very staged, sort of a slick image."

Away From Politics

• A Haitian gunman who hijacked a missionary plane to Florida gave up his weapon in midflight after being preached to by one of the passengers.

Woody Marc Edouard, 24, surrendered after the twin-propeller DC-3 landed at Miami International Airport with 12 others aboard, all believed to be Americans. Mr. Edouard was held on an air piracy charge, which carries at least 20 years in prison.

• Teledyne Inc., a leading maker of military electronics, has agreed to pay \$2.15 million to settle charges that it failed to perform tests on electronics components to the military for use in fighter planes and helicopters, the Justice Department said Friday.

• Half of the first 12 prospective jurors in the Rodney G. King beating case, which ignited the Los Angeles riots last year, have been dismissed for bias. Six new prospects were seated, among them a black man.

• A judge in New Bedford, Massachusetts, refused to throw out most charges against James R. Porter, a former Roman Catholic priest accused of having molested dozens of children nearly 30 years ago. Superior Court Judge Robert L. Steadman dismissed only a few charges, citing the statute of limitations.

• A Robinson R-22 helicopter and a Cessna 152 plane collided at an airport near Atlanta, killing four people, the Federal Aviation Administration said.

• A Los Angeles painter, Anthony Tetro, 42, pleaded no contest to charges that he had forged works by masters and agreed to a six-month prison term. The forgeries, which were made between 1984 and 1989, were sold at a gallery for a total of \$100,000, prosecutors said.

NYT, LAT, AP, Reuters

Tax Break for Art Donations

New York Times Service

NEW YORK — Buried in the details of the economic plan outlined by President Bill Clinton is a proposal that would provide far-reaching benefits for museums, universities, conservation groups and other nonprofit organizations.

The proposal, by eliminating a part of the 1986 Tax Reform Act, would make all major gifts to nonprofit organizations fully deductible at current market value, rather than at the purchase price, which is nearly always much lower. This would encourage art collectors to donate paintings to museums rather than holding onto them or selling them. The proposal would cost the federal government about \$70 million a year, the Treasury Department estimated Thursday.

"It's superb news," said William H. Luers, president of the Metropolitan Museum of Art in New York. "It means that the Clinton administration supports investment in our large cultural institutions around the country."

Republicans Falter In Opposition Role

By Clifford Krauss

New York Times Service

WASHINGTON — Outnumbered and outgunned, Republicans in Congress concede that they are getting off to a slow start in their efforts to kill President Bill Clinton's economic program, or at least to modify it to include more spending cuts and fewer tax increases.

Republican legislators are beginning to sound the way their Democratic counterparts did during the Reagan era, grumbling about their disadvantages in competing with a president who knows how to use the persuasive powers of his office.

Their problems in developing an alternative economic policy and selling it to the American public are part of the broader challenge of their transformation from cheerleaders of the Bush White House to minority opponents of the new Democratic administration.

"I'm frustrated because it is hard for us to get our message out," said Representative John R. Kasich of Ohio, the ranking Republican on the House Budget Committee.

"We're going to come up with some kind of program. Leon Panetta has 300 staff people and I have 12, so it's going to take us a little more time, but we are working at it," Mr. Panetta is the White House budget director.

Mr. Kasich is one of several Republicans working on alternative budgets and economic plans. Senator Pete V. Domenici of New Mexico, the ranking Republican on the Senate Budget Committee, supports a plan to limit the growth of certain entitlement programs such as Medicare, Medicaid and some veterans benefits, as well as a new consumption-based income tax.

Other Republicans are putting out lists of expenditures they want slashed, such as funding for the space station and the superconducting supercollider. But in that

effort, they often run into opposition from other Republican legislators whose districts benefit from such programs.

House and Senate Republicans have been virtually unanimous in criticizing the Clinton plan as a reprise of what they call traditional Democratic "tax and spend" policies. But despite several meetings aimed at coming up with an alternative package, their efforts appear to have stalled.

Some of the lawmakers want an all-out effort to kill Mr. Clinton's package, some others want to amend it, and still others want their party to lead a drive for a constitutional amendment requiring a balanced federal budget.

Only hours before Mr. Clinton addressed Congress on Wednesday night, Republican lawmakers expressed confidence that his economic program could not succeed.

Telephone calls to Capitol Hill were running 10 to 1 against the president, with many constituents crying foul over Mr. Clinton's going back on a campaign pledge to avoid raising taxes on the middle class. But recent opinion polls show Mr. Clinton's having halted the slide and having won considerable public support for at least the broad outlines of his proposal.

"Our first challenge now is to get the facts out," said Senator Phil Gramm, Republican of Texas. "I think public opinion is strongly in favor of his speech but strongly against his program."

Accordingly, Republicans are traveling across the country this weekend, holding town meetings and appearing on local television programs to argue that the Clinton plan is too heavy on tax increases and too light on spending cuts. But with so many different Republicans offering with different alternatives, the party lacks a unified message for voters to listen to.

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INTERNATIONAL Herald Tribune

Bosnia: Send Aid Now

A deepening crisis of starvation and deprivation now looms in Bosnia as a result of the cutoff of the 2,500 United Nations flights that have sustained Sarajevo with 28,000 tons of relief supplies since July and of the truck convoys that have delivered 35,000 tons of supplies to 110 other Bosnian locations. The question of the hour is what the Clinton administration, which last week announced the American intention to become "actively and directly engaged" in Bosnia, might now usefully do to restore vital humanitarian aid.

Will such greater efforts now materialize? In this regard, it seems that parties in the war are deliberately testing Secretary of State Warren Christopher's pledge Feb. 10 to consider "further actions" and "quite determined steps" to ensure the flow of humanitarian aid. The Serbs, the principal aggressors, may be brazenly trying to discourage any American attempt to keep them from working their criminal will in Bosnia. The Muslims may calculate that their best chance of drawing Americans to their side lies precisely in the realm of relief.

Congress's Turn Now

From Clinton, Vision

All President Bill Clinton promised was an economic plan, but his speech Wednesday to Congress offered something even rarer along the marshy rim of the Potomac — a vision. If Republicans and Democrats in Congress will only step back from Mr. Clinton's specific proposals, they will discover, perhaps to their horror, that he has assumed the best about them — namely, that they are capable of conducting business in a brand new way, lifting their sights beyond the short political horizons that normally govern congressional deliberation.

He advocated stopgap savings in federal wages and Medicare-Medicaid. Then there were 150 piecemeal cuts touching some sacred Democratic porkpots like rural electrification. Mr. Clinton's trickiest wrinkle was to declare as "investments" a variety of social programs such as Head Start and the Job Corps. Even so, he managed to slam-dunk the Republicans when they sulked at his figures by reminding them that both Ronald Reagan and George Bush favored fictional budget numbers.

Where Will We Put the Next Three Billion?

By Anthony Lewis

MEXICO CITY — Bangladesh has a land area smaller than the state of Wisconsin — and 114 million people. Its numbers are growing so fast that by the year 2025 it will outstrip the present U.S. population of 250 million. "What will happen to those poor people?" M. F. Perutz of Cambridge University asked last fall in The New York Review of Books. "Even if some miracle of science enough food could be produced to feed them, how could they find the gainful employment needed to buy it?"

Bangladesh is just one among many stark examples of a profound world concern. World population is growing at a staggering rate, and almost all the increase is occurring in the poorest countries. The earth's population was around 1 billion in the year 1800, 2 billion in 1920, 3 billion in 1960. Today it is 5 billion. By 2025 it is expected to be more than 8 billion, and 95 percent of the increase will have been in the Third World.

country's people live without sewers and a quarter without safe water. Can anyone be surprised that, despite the country's improving economic record, many Mexicans are desperate to leave? Rational self-interest, not just humane concern, should make the rich countries do all they can to prevent overpopulation and the suffering and strife it brings. But rationality has not been the mainspring of American population policy lately. Presidents Ronald Reagan and George Bush shaped their policy to please the anti-abortion movement and the Christian right. The Reagan administration sabotaged the world population conference in Mexico City in 1984 by asserting that rapid growth was a "neutral" phenomenon. That was, ironically, the classic Marxist view.

In His Courage, and America's, Cause for Relief

By William Pfaff

PARIS — The relief is enormous. That Bill Clinton really has proposed a comprehensive, responsible, intellectually serious program to save the American economy is the first reason for that relief. He had no real choice; that is what he was elected to do. But for a decade no one has had the courage to do it. The memory of Walter Mondale was too green: Mr. Mondale declared eight years ago that the country had no responsible alternative to raising taxes, and that was the end of his political career.

racism, and what to do about it; on abortion, homosexuality, feminism, public and private morality — a host of issues that in the past could be confined to private life because public moral consensus did exist. It might often have been a hypocritical public consensus, but at least it existed. And on race it was a brutally unjust one. But a common attitude existed on how Americans ought to at least pretend to live, and beyond that, on what the moral identity of the United States was, or should be. That consensus is gone now. Can it be recovered? This is the really serious question determining the American future. We narrowly missed hav-

ing this presidential election turned into still another campaign in the culture wars. Only the depth and pain of the country's economic condition permitted Mr. Clinton to keep the campaign debate on what should be done to give people jobs and good wages once again. If he succeeds in putting the national economy back on its feet, will the American people feel good enough about themselves to forgive — or forgive — some of the things that divide them? Or will good times mean that they start tearing themselves apart again? The answer to that is what will count most.



You Got a Better Idea?

Everyone knows the difference between Republicans and Democrats: The Republicans are the ones who want to cut spending. "We Republicans... want to cut spending... to reduce the deficit," Robert Michel, the House minority leader, said again the other night in complaining that President Bill Clinton was relying too heavily on tax increases instead. But which spending do they want to cut? Which programs, which provisions, how and by how much, to reduce the deficit, which they so steadily deplore? You find in vain for them to say, just as you waited for Ronald Reagan and George Bush to answer these questions.

not directly cuttable, add up to two-thirds of the budget. You have to presume that it is mainly in the remaining \$300 billion that the Republicans would cut more than the president — but where? The \$34 billion in veterans' benefits? Well, no, not really. Highway spending (\$22 billion)? Middle-class college student aid? Unemployment compensation? The space program? Mr. Reagan had a mythical view of government. There were so many easy cuts to be made in domestic spending that you could, too, cut taxes sharply, increase defense spending, hold Social Security harmless and still balance the budget. That is what he said, but the cuts eluded him — and they eluded his successor as well.

Excuse Me, Mr. Clinton, I Must Have Misheard You

By Ronald Reagan

LOS ANGELES — Less than one month ago, America showed the world the strength of its democratic system with the peaceful transfer of presidential power from one elected citizen to another, and incidentally, from one political party to another. While it is no secret that I would have preferred a different scenario that day, I have great respect for our constitutional system and would like to support the new president.

Somehow, as the administration raises everyone's taxes, it wants us to take comfort in knowing that others are getting theirs raised even more. Unfortunately, that kind of "comfort" does not put food on the table of the hard-working middle class, let alone make it easier to put some money aside for savings. We must also listen for the sound of the other shoe to drop: the Clinton's health program. This will almost certainly involve proposals for another round of taxes later this year, and you can bet those will not be levied on a handful of millionaires.

who does not understand a simple fact: The problem is not that the people are taxed too little, it is that government spends too much. Until Mr. Clinton and the liberals in Congress accept that principle and act accordingly, I am afraid we are headed for a repeat of the late 1970s. No one can dispute that the enormous budget deficit is a major threat to the economic security of our country. But let us remember that deficits are caused by spending. And only Congress has the power to spend. For more than four decades, the Democratic Party has controlled the House of Representatives. It is not the working Americans who need to "sacrifice" even more; it is the big-spending liberals controlling Congress who need to show some restraint and "sacrifice" a few of the pork-barrel measures they have been slipping past the taxpayers for too long.

While I am flattered that President Clinton admits to taking a page out of my communications plan, I wish he would use it to sell an economic program of growth and expansion, not the failed liberal policies of the past. Just as positive signs of economic recovery are appearing, Mr. President, please don't blow it. Although it goes back well before the 1980s, may I offer you the advice of the 14th century Arab historian Ibn Khaldun, who said: "At the beginning of the empire, the tax rates were low and the revenues were high. At the end of the empire, the tax rates were high and the revenues were low."

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Thanks Be for Wednesday's Amnesia

By A. M. Rosenthal

NEW YORK — Between President Bill Clinton's first economic speech and his second, two days apart, something important turned up missing. The best thing that could happen to Mr. Clinton and his chances of becoming a successful president would be to keep it missing — the divisive class-conflict tone that ran through parts of the first speech. That talk, laying the ground for the congressional address, carried too much of the old, dreary, left-wing cant that implies that making money is inherently nasty, that people who had worked hard to earn more could be taxed painfully without a by-your-leave and that "special interests" are all evil unless of course they turn out to be your own cabinet members.

breaking as it is, Mr. Clinton will have to put considerable flesh on it for certain Americans. We are the people who are ready to pay more, even painfully more, provided we also know more — about where the new money is going, and what it will do to reduce what we detest most. In his speeches, Mr. Clinton barely mentioned it — the daily violence of life coming from race hatred, AIDS, crime, drug addiction. During the campaign, America acted as if the world did not exist. Fantasy time is over. So how will the new taxes help America fulfill its international role, if at all? Doesn't seem too much to ask, for the money. The same man created and gave both speeches. This is a complicated man, this young, open-faced president of ours — as are most people of great achievement. Many people are struggling for his mind — and he is one of them. So his tone and rhetoric are extremely important. If he cannot rid himself of divisive us-against-them, if he echoes the left's eternal paranoid suspicions about the business, success, endeavor and visions of America other than its own, he will hobble himself and be unable to lead the country to the fullness of his talent and energies. One Clinton mind or another will have to prevail, or a rational and candidly explained compromise between them. He has it in him to lead, but not if he sets one tone on Mondays, another on Wednesdays.

the former president heads the Reagan Center for Public Affairs. He contributed this comment to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Murder So Foul

MOSCOW — Further investigations have disclosed the fact that the sister of the novelist Dostoyevsky, who was supposed to have been accidentally buzzed to death, was murdered. A yardman and an accomplice, after strangling the old lady, drenched the body with kerosene and set fire to it, leaving a lamp broken beside it. The murderers have been arrested and have confessed their crime. They were found to be in possession of £1,000 worth of securities, which formed a secret hoard of the victim and were the motive for the crime.

1918: German to German

NEW YORK — Americans of German blood, in a great mass-meeting held at the Grand Palace, adopted resolutions assailing Kaiserism and urging the German people to overthrow their autocracy. Dr. Frank Cohen declared: "The friends of German democracy and other citizens

Don't Leave Tokyo in The Dark

By Ayako Doi and Kim Willenson

WASHINGTON — A State Department correspondent once observed that "American diplomats put on their foreign policy pants one criss at a time." Indeed, U.S. foreign policy is not so much made as driven by events — a fact that, in the early days of the Clinton administration, left one of its most critical allies, Japan, out in the cold. For most of the three months since the election, Bill Clinton and his aides seemed to ignore Tokyo, an indication so smug that it generated a nation-wide close to panic in the Japanese thing close to panic in the Japanese capital. Now Mr. Clinton has moved to alleviate, if not dispel, that concern. Last week, he found a half hour to meet with the visiting foreign minister, Michio Watanabe. "I attach enormous importance" to ties with Japan, said Mr. Clinton, adding that trade "should not drive the two countries apart."

But Mr. Clinton also warned Mr. Watanabe that America's trade deficit is too large. While the president said he is "wary" of congressional plans to renew the trade law requiring U.S. retaliation against "unfair" trading partners, he noted that renewal would depend largely on how the trade problem sorts out. Two days earlier, Mr. Clinton's new trade representative, Mickey Kantor, made the case a little less politely to a former ambassador in Washington, Nobuo Matsunaga. "It is not as a special envoy." Results? Are what counts, Mr. Kantor said, meeting a real deficit in Japan's \$44 billion surplus with the United States. He added that he is intent to use every available tool to get those results. When Mr. Matsunaga said that Tokyo wants the United States to stay away from such unilateral actions as raising the tariff on minivan because they violate the rules of GATT, Mr. Kantor replied, "I'm not interested in thatology."

The trans-Pacific relationship is enormously complex, and too much inattention could overstrain it. But the administration's combination of political stroking and strong warnings may well have been the right message — and just in the nick of time, since Tokyo had had uneasy feelings almost from the moment of the Clinton victory. In November, American voters swept away a dozen years of Japanese networking with free-trade Republican policymakers. In a country that habitually equates "Democrats" with "Japan-bashing protectionists," politicians, bureaucrats and corporate executives braced for new results-oriented U.S. stands on dumping, technology investment, patent rights, technology transfers and other issues.

Some Japanese, to be sure, initially saw a bright side to Mr. Clinton's victory. Unlike other Democrats, he had not said anything blatantly protectionist during the campaign. As a three-term governor who often traveled to Japan seeking investment for his state, Mr. Clinton surely recognized its importance, they said. But that glimmer of optimism soon faded. As the transition progressed, other issues dominated the headlines. About Japan, little was said. What troubled Tokyo most was not just the molasses-in-January pace at which the administration put together its foreign policy team, but the visible absence of people knowledgeable about Japan at its senior level. A policy vacuum of that kind was incomprehensible to the Japanese, who view the trans-Pacific partnership as primary. Tokyo's diplomatic navigators have to know which way Washington is headed in order to steer a course for Japan. As Mr. Clinton was told by a number of the people who participated in the economic summit meeting in Little Rock last December, Asia is now blessed with the world's most dynamic, fastest-growing economies. It is also a region in which the U.S. presence has waned in recent years, even as Japan's has waxed.

Yet there is both uncertainty and anxiety in Asia about security arrangements in the region now that the U.S. military presence is being reduced. Whether or not Americans — or Asians, for that matter — like it, Japan is both an enormous economic presence in the region and an increasingly important political factor. A new American trade offensive alienates many members of Japanese officials and businessmen. Japan's resistance to pursuing that course could easily erode, with unhappy results for everyone involved. The writers are, respectively, editor and publisher of Japan Digest. They contributed this comment to The Washington Post.

1943: Gandhi Weakens

NEW DELHI — [From our New York edition:] Little hope was held here today [Feb. 19] that Mohandas K. Gandhi would survive his twelfth one day fast, following a doctor's statement that progressive urem had set in and that the Indian nationalist leader's heart action was weakening. Hindus were stunned by the news. The unreasoned hope of it few days for a last-minute settlement had given way to despair. A Indian doctor said he believed 7 symptoms indicated that today was the last day to save Gandhi by blood transfusions and glucose injection. Yet his friends say this cannot be done unless he is set free.

Don't Leave Tokyo in The Dark

Nobelists Call for Sanctions On Burma

By Philip Shenon
New York Times Service

BANGKOK — A group of Nobel Peace Prize winners called Friday for Burma to be suspended from the United Nations and placed under a complete arms embargo until it releases political prisoners and ends other human-rights abuses.

The delegation, made up of five Nobel laureates and the representatives of two peace prize-winning organizations, also appealed to Burma's military government to recognize the results of a 1990 election won by followers of Daw Aung San Suu Kyi, the Burmese democracy leader who has been under house arrest since July 1989.

Daw Aung San Suu Kyi, who is detained at her family's lakeside villa in Rangoon, the Burmese capital, received the 1991 Nobel Peace Prize for her efforts to restore democracy to Burma.

The delegation of Nobel prize winners has been traveling this week through Thailand in an unusual lobbying effort on behalf of Daw Aung San Suu Kyi and other political prisoners in Burma.

They met Thursday on the Thai-Burma border with Burmese refugees who said they had fled their homeland after being tortured — and, many of the women said, raped — by Burmese soldiers.

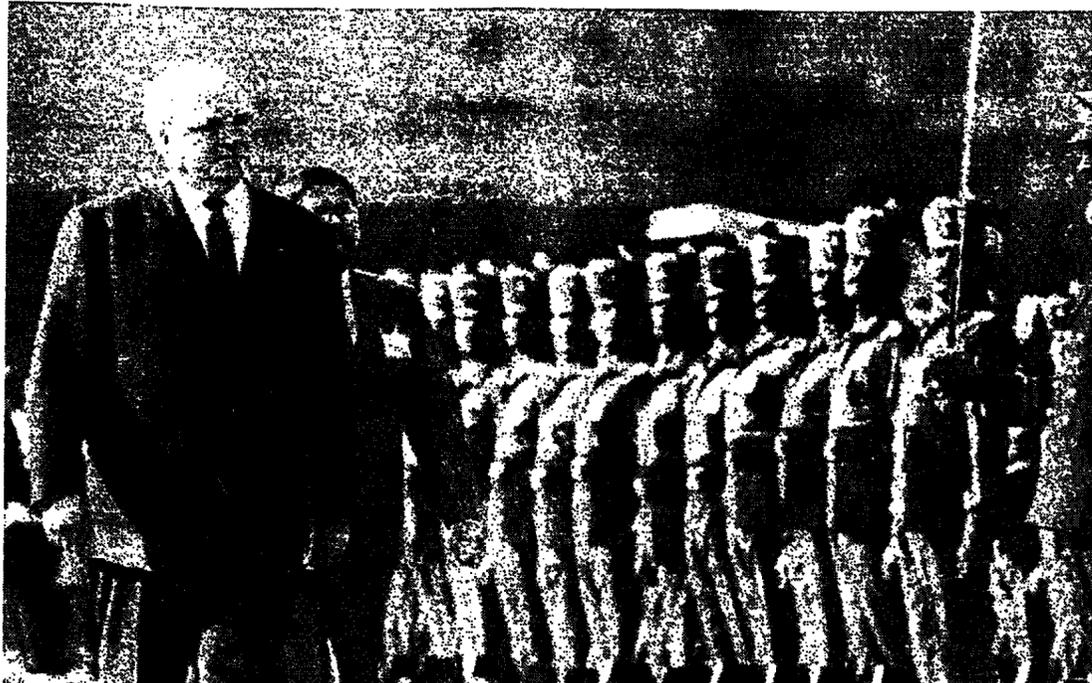
"What's the matter with us human beings," asked Archbishop Desmond Tutu, the South African who won the Nobel Peace Prize for his civil-rights crusade, as he described the Burmese dissidents' tales of brutality.

In a joint declaration issued Friday, the delegation described Burma as "a nation under siege" and said the United Nations should move quickly to suspend Burma from membership.

They urged the United Nations to "cooperate in the application of a comprehensive economic boycott, including trade and investment sanctions" and asked United Nations members to "impose immediately a comprehensive and effective arms embargo" against the Burmese government.

An arms embargo would be directed at China, which became Burma's chief weapons supplier after other nations cut off military assistance because of Burma's long record of human-rights violations.

Western diplomats in Burma say that China has supplied more than \$1 billion in weapons to the Rangoon government since the late 1980s. Other large arms suppliers to Burma, they say, include South Korea, Singapore and Poland. Oscar Arias Sanchez, the former president of Costa Rica and the recipient of the 1987 Nobel Peace Prize for his efforts to bring peace to Central America, said it was also time for the members of the Association of South East Asian Nations to end their policy of so-called constructive engagement with Burma.



Chancellor Kohl of Germany reviewing an honor guard in New Delhi on Friday as he started a tour that will include Singapore, Indonesia, Japan and South Korea.

EUROPE: East Asians, Increasingly, See It as a Distracted Continent

(Continued from page 1)

intended to reduce global trade barriers — as well as increases in trade frictions among the EC, the United States and Japan, and an accelerating trend toward regional trading arrangements — are unsettling developments for East Asians.

A World Bank report on economic prospects for the area, published this month, warned that if trade barriers rose or trade tensions worsened, "one of the principal casualties in terms of lower growth and lost opportunities would be the open economies of East Asia."

The report also said Japan was "quietly replacing the United States as the key partner in the development of East Asia — in aid, trade and foreign direct investment." It added, "Lately, this has expanded to include financial flows and economic policy advice, as well as portfolio investment."

Asian leaders want Europe as well as the United States to retain a strong economic pres-

ence in East Asia, to balance Japan's potential dominance and to sustain the global trading system.

Wong Kan Seng, Singapore's foreign minister, told a predominantly Western business audience at the World Economic Forum in Davos, Switzerland, last month that Japan, China, South Korea and members of the Association of South East Asian Nations would "all find it easier to have comfortable relationships with each other if they have healthy and comfortable relationships with the United States and Europe."

The image of Europe as a sick and distracted continent, in contrast to the relative peace and buoyant growth of East Asia, appears to be deeply etched in the minds of regional leaders.

Mr. Mahathir said at a recent meeting of East Asian newspaper editors that when Europe and the United States had a monopoly on industrial technology, it was "quite O.K. to have high pay and forget about competition."

But now, he said, Asia has the same technol-

ogy, and that, combined with a lower cost of production, has enabled East Asia to outsell the rest of the world.

Western nations, Mr. Mahathir asserted, are no longer able to compete, "because it's not possible to bring down their wages without sacrificing standards of living." This, he said, is something they are not willing to do.

In an interview with a European newspaper ahead of Mr. Kohl's visit, Mr. Lee said that as problems in Europe had multiplied over the past couple of years, there had been a marked decline in European, though not in British, interest in Asia.

He said that before the Berlin Wall came down in 1989, "every month I would meet a German industrialist, a German banker, a German state minister or state prime minister, or even the German federal chancellor."

He added, "That was the level of their interest."

However, Mr. Lee said, by 1992 the flow of German visitors had slowed to a trickle.

Kohl Bows To Japan On UN Seat

TOKYO — Chancellor Helmut Kohl of Germany said Friday that Japan's bid for a permanent seat on the United Nations Security Council was more urgent than Bonn's.

In an interview with Japanese television, Mr. Kohl said, "Germany would support Japan's bid for a permanent seat."

Both Japan and Germany have expressed interest in joining the United States, Russia, China, Britain and France as permanent members of the council. The permanent members have veto power on what is now a 15-member council.

Mr. Kohl said there was a difference in the situations facing Japan and Germany.

Although many countries support Germany's wish to become a permanent member, he said, Japan's bid is more urgent and significant.

In the interview, Mr. Kohl said Germany had a voice as a member of the European Community and the North Atlantic Treaty Organization, but noted that Japan was not a member of either international organization.

He said Germany did not plan to push moves to become a permanent member of the Security Council. "I think there are other issues that our country should deal with first," he added.

Mr. Kohl arrived in New Delhi on Friday on the first leg of a two-week Asian trip that will also include Singapore, Indonesia, Japan and South Korea.

In remarks in New Delhi, he promised to expand economic ties and warned against the dangers of creating a "Fortress Europe."

"It is crucial for Europe not to look inward and not to deal only with itself but to open our eyes to what is happening in the rest of the world, to avoid erecting a Fortress Europe, particularly in the trade area."

Chancellor Kohl said Germany should pay more attention to Asia and improve trade and political ties.

AMERASIANS: Once 'Dust of Life,' GIs' Kids Are Pawns in Visa Quest

(Continued from page 1)

than \$150 million in federal funds has been misapplied in the last four years.

In a Nov. 16 letter to members of Congress on results of the Homecoming Office, the U.S. General Accounting Act said a "serious problem that has emerged for U.S. officials is the large number of fraud cases, particularly those involving so-called 'fake families.'"

In the letter, a preliminary report on a study that has yet to be completed, the office added, "Effective

polices to deal with this issue have not yet been developed."

"In the last couple of years, this fraud has become endemic," said a U.S. official involved in running the Amerasian program. "It's an inevitable consequence of a program conceived in emotionalism. Logically, it's time to reassess the program."

He and other U.S. officials and refugee workers said there were now so many fraudulent applications for the program that interviews conducted by U.S. consular officials in Vietnam had become largely a waste of money and effort.

Currently, only 13 percent of applicants are being accepted, the official said. The rest are judged to be impostors or false family members.

Even among those who say they are Amerasians, he said, about 60 percent now are being rejected as frauds themselves.

"There used to be 90 percent acceptance," said an American doctor associated with the program. "That's done a complete flip in the last six months. It's not cost-effective at all anymore."

The Amerasians "were basically beggars and street children," he added. "All of a sudden they became a pot of gold when this program started."

Said Luu Van Tanh, an official at the Vietnamese Foreign Ministry's consular office here: "The Amerasians are like hotcakes."

At least, that is, until they reach the United States. Then, according to U.S. officials and aid workers, they often are unceremoniously dumped by their fake families, sometimes even at the airport on arrival.

At that point, said Peter Daniels, the coordinator for Amerasian services at St. Anselm's Immigrant and Refugee Community Center in Orange County, California, the Amerasians "have served the purpose of the family in getting them into the country, and now they don't serve any other purpose."

About 650 Amerasians, who

were accompanied to the United States by more than 2,200 family members, have come to the center for help since it started a program for Amerasians three years ago. Mr. Daniels said in a telephone interview. In at least 70 percent of the cases, he estimated, the families were fraudulent.

Since 1980, more than 22,000 Amerasians and about 60,000 accompanying family members have been resettled in the United States at an estimated cost to the federal government of nearly \$500 million. Additional costs have been borne by local and state governments and private voluntary agencies.

Most have emigrated under the Orderly Departure Program, which was designed to provide a safe and legal alternative to the massive outflows of Vietnamese "boat people" that have contributed in large measure to a Vietnamese diaspora of more than 1 million people and have left tens of thousands stranded in Southeast Asian camps. More than 61,000 Vietnamese political refugees and more than 161,000 emigrants seeking family reunification have also moved to the United States under the Orderly Departure Program.

Although some fraud also has been detected in those two categories, most of it has occurred in the Amerasian program, U.S. and Vietnamese officials said.

The U.S. government quietly pays the Vietnamese government nearly \$140 for each Amerasian and family member who leaves the country under the program. The payments, totaling about \$9.5 million so far, are intended to reimburse Vietnam for its costs in processing, transporting and maintaining the Amerasians and their families at a U.S.-funded transit center.

However, according to the General Accounting Office report, many of those costs are also covered by fees and bribes paid by the Amerasians and family members to Vietnamese officials. In any case, sources said, the system appears to have produced an incentive among Vietnamese officials to approve, and possibly help organize, the applications of large families for consideration by the U.S. interviewers.

The fraud flourishes in part because of the paperwork and bribes required for Amerasian applicants and relatives to get their names on a list compiled by Vietnamese authorities of people eligible to be interviewed by U.S. officials in the first place, sources said. Often, the Amerasians and their real mothers or families are too poor or uneducated to pay the bribes or complete the applications themselves. This provides an opening for aspiring emigrants to "buy" an Amerasian and undertake to get him or her through the system in return for being claimed as the real family.

AMERICAN TOPICS

New Papers Prove Lincoln Was a Pro

A handful of Lincoln scholars, searching for scattered documents in dusty courthouse records all over central Illinois, are uncovering hundreds of previously unknown cases that bear out the long-held opinion of Abraham Lincoln was not a country boy who told juries homespun tales but a polished lawyer who had a major practice.

These new documents show that behind the rustic style Lincoln sometimes used before juries, he could argue the most complex civil and criminal cases. The New York Times reports.

"His peers considered him a lawyer's lawyer," said Colman Davis, historian and director of the Lincoln Legal Papers project, who heads a staff of researchers based at the Old State Capitol Building in Lincoln's hometown of Springfield, Illinois. "He was regularly called upon by other lawyers to help them in litigation involving everything from homicides to railroads."

The Lincoln Legal Papers project is supported by the Illinois Historic Preservation Agency, the Abraham Lincoln Association, the University of Illinois Law School and the Sangamon State University Legal Studies Center.

"Lincoln had a much larger and more active law practice than anyone had previously estimated," Mr. Davis said. "Without being flowery or bombastic," he said, Lincoln knew how to maneuver to his client's advantage. "As Robert V. Bruce, the historian, once said, 'He could split hairs as well as rails.'"

Roars Return To Kuwait Zoo

KUWAIT — Kuwait's zoo has reopened, restocked and repaired more than two years after most of its animals starved to death during the Gulf War.

Only 35 of a prewar complement of 750 animals survived the seven-month Iraqi occupation of the emirate. The rest died of neglect and hunger, or were shot, stolen or fed to lions by Iraqi occupation troops for amusement, zoo officials said.

Under a \$1.6 million restoration, new leopards, lions, tigers, pumas, water buffalo, birds and reptiles have joined the few animals that survived. The zoo now has more than 600 inmates including 62 species of mammals, 105 species of birds and seven species of reptiles.

AMERICAN TOPICS

With corporal punishment now illegal in about half the 50 states, schoolteachers are keeping pupils in line in more imaginative ways.

Mark Twain's Aunt Sally had it right, teachers agreed at a recent conference in Washington on "creative detention." Just as she sent a misbehaving Tom Sawyer to whitewash the fence, so teachers are using troublemakers to scrub or scrape or, when Joyce Perkins of Sour Lake, Texas, hears her 12-year-olds use bad language, she marches them to the telephone and makes them all their mothers and repeat the words syllable by syllable. Bruce Jaon of Chicago says that when his high schoolers get out of line, he makes them listen to old Frank Sinatra records.

Now that the Baby Boomers are reaching middle age, what to call the generation that is following them, people now in their 20s? In a cover article, U.S. News & World Report dubs them the Twenty Somethings. Few of them, says The New York Times, "want to be known as baby busters (as in 'from boom to bust') or baby boomerangs (for boomeranging home to one's parents). Other suggestions listed by The Times include 13ers (for the 13th American generation to come of age since Benjamin Franklin's), metamorphs, latchkeys, technobabies, posties (for post-boom), protos (for proto-adults), steroids, mall rats.

Edward W. (Moose) Krause, who was an athlete, a coach and an administrator at Notre Dame, once won a basketball game at Indianapolis against Butler in the final second. The next morning, according to legend, a parakey stood near the door of the team bus, hawking the Indianapolis Morning Star as the Irish players boarded for the trip back to South Bend. "Morning Star!" he shouted. "Morning, son," Mr. Krause replied.

Short Takes

Law enforcement officers at all levels of government, 600,000 strong, cost American taxpayers \$30 billion a year, Jonathan Yardley reports in The Washington Post. But pri-

Arthur Higbee

Arthur Higbee

Arthur Higbee

Arthur Higbee

Only 285 Survive From Haitian Ferry, Up to 2,000 Aboard

THE ASSOCIATED PRESS — PETIT-GOAVE, Haiti — Haitian Navy and U.S. Coast Guard vessels resumed a search for bodies Friday, but an American officer held out little hope of finding any of the hundreds feared drowned when a ferry sank.

The death toll may have been as high as 1,700 when the 45-meter (150-foot) Neptune tilted, capsized and sank during a squall off Haiti's southern peninsula. The Red Cross has accounted for 285 survivors.

Commander Larry Mizell of the Coast Guard said in the capital, Port-au-Prince, that his ships had not found any survivors since the search began Thursday.

"We brought in 62 bodies last night," he said, "and we picked up and brought in 88 this morning."

The ferry sank Tuesday, but word of the disaster did not reach Port-au-Prince until late Wednesday.

Survivors described a harrowing night Tuesday clinging to anything that floated and surrounded by bodies and bleating, bellowing livestock.

"The sea was full of people," said Madeleine Julien, 29, a merchant, who stayed afloat by hanging onto a bag of charcoal. "I kept bumping into drowned people."

There was no official count of those aboard the rusting, overloaded craft. Port authorities said 800 tickets had been sold for the overnight trip of 200 kilometers (120 miles) from the town of Jérémie to Port-au-Prince, according to Commander Mizell.

Haitian officials told the Coast Guard that 820 to 2,000 passengers were aboard the triple-deck ferry, filling the decks and the roof of the top deck. Most of the passengers were Haitian farmers taking fruit, vegetables and charcoal, as well as chickens, pigs and cattle, to sell in the capital.

The Coast Guard sent five cutters and several aircraft to help recover bodies.

The cutters had been in international waters off Haiti to intercept Haitians trying to reach U.S. shores in rickety, overloaded sailboats. Tens of thousands of Haitians have fled by sea since the army ousted the elected president, the Reverend Jean-Bertrand Aristide, in 1991. The Coast Guard said there was no connection between the Neptune and the refugees.

The Neptune went down about 100 kilometers west of the capital, offshore from Petit-Goave, the Coast Guard reported. The guard's Operations Center in Miami said no distress calls had been received from the vessel.

Friday morning, the American ships were searching a 160-square-kilometer area around the debris and bodies spotted Thursday about 13 kilometers northeast of Petit-Goave. Fishermen said strong, erratic currents in the area may have swept bodies out to sea.

The Neptune's captain, Benjamin Sinclair, who survived, said that the ferry was cruising in a rainstorm and that, as conditions worsened, passengers panicked.

The Coast Guard said Haitian officials reported that the ferry sank during a squall after passengers rushed to one side. Military authorities in Jérémie said one of the decks had collapsed.

The steel-hulled Neptune was owned and operated by Haitians, military authorities said.

UN: About-Face on Bosnia Convoys

(Continued from page 1)

presidency said Friday that authorities in Sarajevo would end their eight-day aid boycott if the aid convoys made it through to the eastern Muslim towns.

The Security Council vote to give peacekeepers in Croatia the right to fight back came in a resolution extending the mandate of the 14,000-member force five more weeks, until March 31, putting pressure on the Serbs and Croats to restore a cease-fire and begin drafting a peace accord.

Up to now, only the peacekeepers escorting humanitarian aid convoys in Bosnia-Herzegovina had been authorized to use force. Diplomats said that 700 UN troops deployed in December to prevent the spread of violence in Macedonia would also come under Chapter VII, to put them on equal footing with the other peacekeepers.

In the past, peacekeepers in Croatia were only allowed to use their light weapons in self-defense. Friday's resolution leaves open the possibility of rearming with heavier weapons, but it is not clear what good this will do the troops. The outnumbered peacekeepers are usually shelled from concealed gun emplacements in the mountains surrounding their posts, or shot at by snipers.

A yearlong truce in Croatia was shattered on Jan. 22 when Croatian troops raided the arsenal of UN peacekeepers to arm themselves for an offensive to retake territory lost

HITLER: In 'Blue Ink' Box

(Continued from page 1)

unfold. A shot rang out, an acrid smell of smoke spread out from the entrance hall.

Mr. Linge and the Nazi leader Martin Bormann opened the door of the office together.

"They put the body on a blanket laid out in advance and took it upstairs to the garden. Someone—Linge was confused and couldn't remember who—carried Bormann. The wind blew out matches, and Bormann took shelter by the wall to light a piece of paper. Linge threw it on the corpses.

"Shots started to rain down on the garden. There was a deadly barrage going on. Quickly paying their last respects, Linge... and the rest retreated underground. The reinforced door slammed shut."

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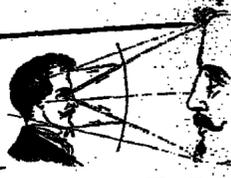
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ART

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Marie-Jo Lafontaine's fire-circle work, "Jeder Engel ist schrecklich," in "Four Elements" exhibition in Hamburg.

Blip: Messages From Mixed Media

By David Galloway

HAMBURG — This elegant Hanseatic port city is currently blipping and bipping, warbling and woofing in a bid to become media capital of the new Germany. "Mediale" is the name of the high-stakes, self-promotional game conceived by Thomas Wagner, a local businessman and media-art collector. To his considerable credit, and thanks in large part to his charisma, virtually every cultural institution in the city — from the opera to the Museum of Electricity — has conceived its own media extravaganza.

The interaction of man and machine, at the experimental "Kampnagel Fabrik" is the subject of "Drifting, or 500 ways to bang your head," presented by the COAX dance theater. Melancholically mechanical sculptures by Jon Kessler are on view at the Kunstverein, while the resourceful Brian Eno has transformed a decrepit market hall near the central train station into a son-et-lumière wonderland entitled "The Future Will Be Like Perfume." Fourteen private galleries are making their own contributions to the citywide "Mediale," with shows that include such veterans of the electronic avant-garde as Manfred Mohr and Herbert W. Franke.

To symbolize the entry into a new age, the theatrical wizard Robert Wilson designed a half-open steel door, 30 feet (9 meters) high, that was lowered by helicopter onto a pontoon on the Alster, the lake around which Hamburg's downtown commercial district is clustered.

At the heart of the electronic euphoria is an exhibition entitled "The Four Elements," at the renovated Deichtor Halle that once served as a wholesale produce market. The 25 artists on view (and on the air) there include the old master Nam June Paik and three of the most authoritative video-sculptors of the day: the Belgian Marie-Jo Lafontaine, the Italian Fabrizio Plessi and the American Bill Viola. Together with the overexposed Paik, they number among the few new-media artists who have broken out of the electronic ghetto to make their mark on such international exhibitions as "documenta" and the Venice Biennale.

With the aid of such established talents and a budget of 1.2 million Deutsche marks (\$740,000), the curator, Wolf Herzogearath, attempts with only limited success to give the media arts a new context. He argues persuasively that the time has come to talk less about the artist's tools and more about the goals they serve. Hence, the show focuses on various approaches to the four elements in art, including a historical survey of 17th- and 18th-century engravings that explore the powers and prerogatives of earth, air, fire and water.

To suggest a tenuous bridge from the Baroque to the postmodern, works from the 1960s and '70s — a pulsing water sculpture by Klaus Rinke, a stone circle by Richard Long, a fire-room by Jannis Kounellis — are also part of the presentation. This time around, they are assigned to the ghetto, along with the traditional prints, to form an isolated, didactic center for

the soaring hall in which they are shown. The provocative vis-à-vis confrontations that might have been possible — Lafontaine's video sculpture "Jeder Engel ist schrecklich" (Every Angel Is Frightful), with Kounellis's gas-burner installation, for example — are thus nipped in the bud.

WITH the exception of installations by David Rokeby and Magdalena Jetelova, the Hamburg exhibition is most memorable for its video works, which have long been a specialty of the show's curator. Though nearly a decade old, Bill Viola's "Theater of Memory" has lost nothing of its compelling mystery. Lafontaine's cone-shaped installation, in which the viewer seems trapped in a fiery furnace, testifies to the artist's uncompromising intelligence and professionalism, yet it lacks the erotic tension of her previous works.

For all its curatorial lapses, "The Four Elements" proclaims a new era for new-media artists, but their day will first truly come when critics, curators, collectors and artists themselves cease to think first of whether a work is created with chip or chisel, pencil or pixel. The medium, after all, is not the message.

"The Four Elements" is at the Deichtor Halle until March 28. A 338-page catalogue, with detailed information on all "Mediale" events is available for 20 Deutsche marks.

David Galloway is an art critic and freelance curator based in Wuppertal, Germany.

Through the Eyes of Apollinaire

By Michael Gibson
International Herald Tribune

PARIS — The art of the first two decades of this century is all too often set before us as neatly sorted and classified as if it had always been part of a botanist's herbarium. But what was it like when the juices still flowed through those desiccated plants that feed the endless ruminations of art history?

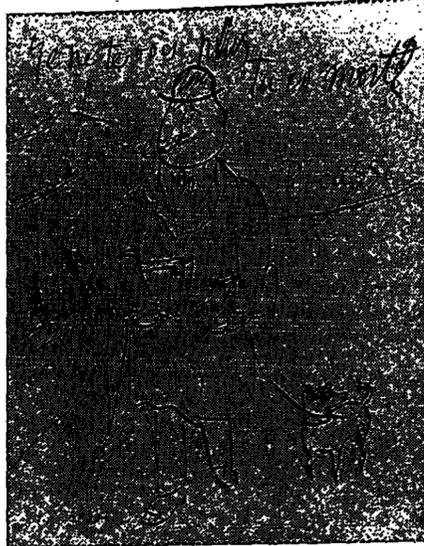
A delightful (and competently art-historical) exhibition devoted to the poet Guillaume Apollinaire's contribution to art criticism successfully evokes the great variety of attractive artistic styles practiced in those years. To this diversity, Apollinaire, ever more the poet than the critic, responded with a wonderfully fresh, whimsical and open mind.

Apollinaire took up criticism in 1902, at the age of 22. He was a brilliant and amusing young man with a penchant for women and a taste for practical jokes, which he had in common with a number of artists of his day. Criticism only just allowed him to eke out a living — he was not a man of means — and his willingness to stick out his neck for artists he admired commands respect. He was fired from one newspaper because he chose to praise the sculptor Auguste Rodin.

With such sensitivity served him well in all his writing and he is remembered as an admirable lyric poet whose verse carried a fresh gust of modernity. This was all the more necessary since the heritage of the 19th century lay heavy upon French culture in those days. The poet suggests as much in a long, unpunctuated poem written in 1910 — a poem full of kaleidoscopic effects that rather call to mind the fragmented perspectives of Cubism:

*In the end, you are weary of this old world
Shepherds: O Eiffel tower your flock of bridges is bleating in the dawn*

Apollinaire is remembered as the critic who understood and praised the Cubists, but his taste was rooted in the 19th century. He also spoke favorably of the paintings of the Symbolist Henry de Groux, of the posters of Leonetto Cappiello, of the clever caricatures of the actor and dramatist Sacha Guitry, of the sensuous nudes of Kees van Dongen, of the amusing illustrations of Benjamin Rabier, of the drawings and the King Ubu puppets of Alfred Jarry and, probably because he was in love with her, of the paintings of Marie Laurencin. He also praised Henri Rousseau, who portrayed



Picasso drawing of Guillaume Apollinaire (1905).

*You have grown weary of living in Greek or Roman antiquity
Here even the automobiles look antique.*

the poet and Laurencin in his "Muse Inspiring the Poet."

He wrote amiably whimsical and occasionally highly perceptive notes in various papers and was on close and friendly terms with Pablo Picasso, Francis Picabia and, some years later, Marcel Duchamp. He was the first to use the word "sur-realist" (with a hyphen), which André Breton would later use for his own use 10 years later. The point he was trying to make when he coined this word was that art should not merely strive to copy reality, but should refer to a "reality beyond reality," a "sur-reality."

Two words were later, Picasso once evoked him in a conversation with André Malraux: "Apollinaire, for instance, knew nothing

about painting, and yet he had an instinct for the real thing. Poets often sense these things."

The exhibition (with a catalogue published by Gallimard) assembles the artists whom the poet mentioned — the texts are posted on the walls — and one gets the fleeting impression that he approached the subject as unblinkingly as might a child rambling through an open field dotted with colorful flowers, picking those that suit him at the moment.

In fact, this brilliant man also had his serious criteria. A major lesson to be learned from Apollinaire today is that the strategies of art are the same as those of life, which is endlessly proliferating and bifurcating into strange and unexpected species. It was the spiritual operation feeding the constant invention of new solutions for art that fascinated him. And in this sense, as Philippe Dagen points out in the catalogue, while Picasso and Braque produced cubist paintings, they were not really "Cubists." The Cubists came after them, systematically and unimaginatively exploiting a definite range of techniques.

In this realm, as Apollinaire demonstrates despite the occasionally lightweight quality of his criticism, orthodoxy and dogmatism can only be dawning. Criticism makes no claim to truth and Apollinaire's writings declared that he let himself be guided by his emotions. But it should not be forgotten that, as Picasso noted, he had a subtle flair.

Apollinaire, finally, was a modernist, but he did not despise the past: The chief desman of modernity, as he saw it, was that one scrape the barnacles of habit and technique from the keel of art to reveal its true nature and restore it to its former sleekness.

Apollinaire was wounded in the head in World War I. He survived trepanning only to die of the Spanish flu in 1918, at the age of 38.

*"Apollinaire: critique d'art,"
Favillon des Arts, 111 Rue Rambuteau, to May 9.*

At Auction, Words and Works on Wine

By Joseph Fitchett
International Herald Tribune

PARIS — The finest collection of works on wine ever to reach the auction market will be sold in Paris on Saturday — 650 items ranging from the earliest printed book on the subject to sought-after Art

Deco posters commissioned by the Nicolas wine dealers. Cooking and gastronomy have long had a market niche of their own, but wine, with its narrower public, has seldom attracted the quest for rarities displayed for 30 years by Kilian Fritsch, whose library will be dispersed at the Hôtel Drouot auction. The auctioneer Guy Loudmer

marks the occasion with a lavish catalogue by Gérard Oberlé — who describes himself as a bibulous bibliophile — that is a landmark in the often recondite scholarship of wine writing.

The best-known item in the sale is a complete collection, perhaps the only one in existence, of the catalogues distributed by the Nicolas chain of wine stores in France annually starting in 1927. Illustrated by minor French artists, these albums — particularly those by Cassandre, Paul Iribe and Charles Martin — epitomized the best graphic art in Paris in the years before World War II. Given away to customers at the time, the catalogues first found a public among wine buffs, then among museum curators.

In a lively postwar French venture along these lines, Château

Mouton Rothschild, induced modern artists, including Picasso and Motherwell, to produce wine-related paintings that were used on the labels of this renowned Bordeaux wine. Among the best results of this series is the label for the great 1975 vintage done by Andy Warhol in an abstract style that could scarcely be farther from the copies of brand labels that launched his artistic reputation.

For aficionados, the most precious item in the sale — estimated to bring in \$25,000 — is a rare copy of a 15th-century book: the *Tractatus de Vitis*, a treatise in Latin believed to be the first printed book on wine. Illustrated manuscripts take the field of wine back centuries, and the books and official documents on wine making and wine selling bring the sale down to the present.

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سوكرا من الامل

Business Split Over U.S. Tax Impact

By Steven Pearlstein
Washington Post Service

WASHINGTON — American businesses are of two minds on whether President Bill Clinton's economic program will spur them to make the investments and add the jobs the administration has said are necessary to get the U.S. economy back on track.

Several executives warned that the proposal for a new energy tax and other features of the plan could actually make U.S. products less competitive in international markets.

At a construction company in Providence, Rhode Island, executives said the extra public-works spending proposed by the president should help it achieve a planned 15 percent increase in its work force this year.

But in Charlotte, North Carolina, the steel industry's leading mini-mill, Nucor Corp., said that

even a 10 percent increase in its sales would not result in any new hires because most of its plants were running well below capacity.

In Beaverton, Oregon, the maker of Air Jordan basketball shoes predicted that any increased income taxes it would have to pay would be passed along to consumers in the form of higher prices.

When it all shakes out, economists at DRI/McGraw Hill Inc. said Thursday, the "stimulus" portions of the Clinton plan should add half a percentage point to the growth in the U.S. economy this year and next. But conservative economists warned that higher energy and income taxes on wealthy individuals and corporations would eventually choke off a truly sustained recovery by denying businesses the money they need to hire new workers.

Among the obvious losers from the president's plan are the nation's white-tablecloth restaurants that rely on expense-account eating, which will now only partly qualify for tax deduction.

The fuel tax proposed by the president will be just the latest blow to the U.S. aerospace industry, which is already reeling from billions of dollars in losses as a result of having too many airplanes chasing too few passengers.

Across the country, many industries are in the midst of a shakeout in which weak companies are laying off people in an effort to lower costs.

At Nucor Corp., the steel producer based in Charlotte, the vice chairman, Samuel Siegel, said his company would continue to invest aggressively in new plants and equipment, but not because of the 7 percent investment tax credit proposed by the president.

"We think it is a bad idea to make decisions like that based on tax considerations," he said.

Like many in industry, Mr. Siegel pointed out that the proposed investment tax credit is available for only two years, while it takes three or four years for a steel plant to move from an idea to actual construction.

Higher fuel costs are likely to raise the price of U.S. steel as much as \$5 a ton. That could result in the loss of some business to foreign sources. But for Nucor, which operates some of the industry's most energy-efficient facilities, that increase could allow it to steal some business from some of its larger competitors, Mr. Siegel said.

At Gilbane Construction Co. in Providence, Paul Choquette, the president, sees a real boost

See EFFECTS, Page 9

Trade Tensions Rise as EC Urges Farm Pact Vote

Compiled by Our Staff From Dispatches

BRUSSELS — Tensions over farm trade flared up on Friday when France revived its threat to veto a controversial agricultural accord between the United States and Europe after the EC farm commissioner urged a speedy vote on the pact.

The commissioner, René Steichen, said he was seeking to have the agricultural agreement put to a vote by European Community states before France's legislative elections on March 21 and 28.

"We must make clear our intention to accept this accord," Mr. Steichen said. "It's good for the Community to at least have calm on this front."

In Paris, Agriculture Minister Jean-Pierre Soisson said he would veto the deal if the EC Commission asked farm ministers to vote on it. "I will use France's veto power to block an accord that is contrary to the interests of its farmers," he said.

France's ruling Socialists, who are expected to be driven out of office in the March elections, have faced strong protests from farmers over the accord's provisions that would restrict European production of oilseeds.

The agreement on oilseeds was a key step in opening the way for final negotiations to conclude the so-called Uruguay Round of talks under the General Agreement on Tariffs and Trade to liberalize world trade.

Mr. Steichen said that the accord would be put on the agenda for the next meeting of foreign ministers, which is scheduled for March 8.

He said he would not expect France to use its veto, but in any case the deal needs only the support of a majority — not all — of EC nations.

"I do not believe that there will be a French veto," Mr. Steichen added.

A French threat to veto an EC-U.S. oilseed agreement would give the administration of President Bill Clinton the pretext it needs to launch a trade war, another EC official said. "It is the best way of renewing a trade war with the United States, which is waiting for such a chance," the official said.

Mr. Soisson also risks putting himself in the position of the bitter bit, since the wines of Burgundy are in the front line of the range of retaliatory measures prepared by the U.S. administration in the event of an agricultural conflict," the official added.

Mr. Soisson is the president of the regional council of the wine-producing region of Burgundy.

The dispute over oilseeds, dating to 1988, has muddied the waters of trans-Atlantic farm-trade talks.

In November, the United States and the Community agreed on a package that requires the Community to reduce the amount of acreage on which oilseeds are grown. The trading bloc refused to accept American demands for production caps on the crops.

The agreement was reached after a panel examining the oilseeds dispute under the auspices of the GATT ruled twice against the Community.

Mr. Steichen said that was one reason he was looking for a speedy vote on the issue. "I think it would be a good thing because we have lost two panels in GATT," Mr. Steichen said.

"We should show the Americans we stick to our agreements," he said, adding he feared the United States might backtrack if the EC hesitated in accepting the deal.

(AP, AFP)

Projected Interest Saving Puzzles Bond Market

By Kenneth N. Gilpin
New York Times Service

NEW YORK — Traders and dealers in the market for U.S. Treasury notes and bonds are skeptical about the Clinton team's projections that the government would save \$11.5 billion in interest expenses over the next four years by shifting away from longer-term securities and selling more shorter-term issues.

The subject is of vital importance to Treasury dealers, because a shift in the mix of securities sold would influence the price of outstanding long-term notes and bonds, as well as the direction of long-term interest rates.

On the surface, a shift away from long-term notes and bonds to short-term bills looks like it could be a potential windfall for

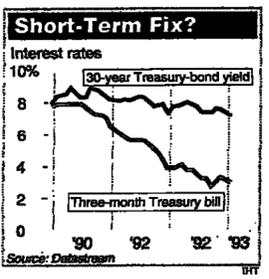
the government, because short-term interest rates are currently about four full percentage points lower than 30-year bond yields.

Still, analysts said they were skeptical about the projected interest savings. Short-term interest rates would need to remain low over the next four years to meet the projections, they said, and that assumption may rest on increasingly shaky ground as the economy recovers.

Moreover, huge amounts of debt now sold through 10-year notes and 30-year bonds would need to be sold instead as three-month Treasury bills in order to meet the estimated savings.

Finally, with 30-year bond yields at historic

See DEBT, Page 9



German M-3 Blip Stirs Brief Hopes of a Rate Cut

By Brandon Mitchner
International Herald Tribune

FRANKFURT — European markets rallied briefly Friday after a contraction in Germany's money supply raised hopes of lower interest rates, but prices settled back when the Bundesbank explained the shrinkage had been a statistical fluke.

The figure the Bundesbank considers its most reliable monetary barometer, the M-3 money supply, contracted at a seasonally adjusted, annualized rate of 2.3 percent in

January after having expanded 8.7 percent in December.

In Frankfurt, the DAX index of the 30 most-traded German blue chips rose 10.01 points to 1,682.27, its highest level in seven months, before settling back to close at 1,677.39.

In Paris, where signs of any softening of German rates are closely watched, the CAC-40 index of blue-chip French stocks jumped nearly 25 points to 1,949.55 on the M-3 news, before falling back to close at 1,938.17.

Because economists had predicted a growth rate of 4.2 percent, markets initially interpreted the M-3 figure as a surprise reversal that would immediately prompt another German interest-rate cut.

But while the figure might have been surprising, it is also the result of an "extreme exaggeration," Otmur Issing, the Bundesbank's chief economist, said to a German newspaper, warning against hopes for any quick consequences. Indeed, the Bundes-

bank board left Germany's discount and Lombard rates unchanged on Thursday.

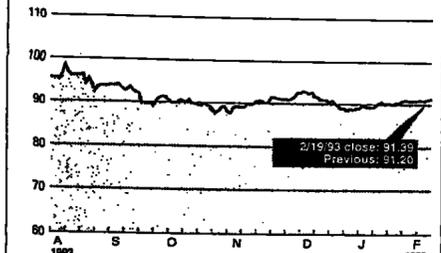
Extraordinary statistical factors will also render the money supply figures for February and March susceptible to aberrations, although it is clear that German monetary growth is decelerating, Mr. Issing said, according to an advance copy of the interview to be published on Saturday in the Frankfurt Allgemeine Zeitung.

The main reason for the sharp contraction

See BUNDESBANK, Page 8

THE TRIB INDEX: 91.39

International Herald Tribune World Stock Index, composed of 230 internationally investible stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 50 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Close	Prev.	% Change
Asia/Pacific	88.38	87.75	+0.73
Europe	92.15	92.29	-0.14
N. America	93.79	93.60	+0.19

Industrial Sectors	Feb. 19	Jan. 19	% Change
Energy	96.26	94.14	+2.25
Utilities	89.48	89.55	-0.08
Finance	87.44	86.97	+0.54
Services	103.38	103.19	+0.18
Capital Goods	90.82	90.51	+0.34
Raw Materials	94.30	93.79	+0.54
Consumer Goods	85.59	86.42	-0.86
Miscellaneous	96.61	96.36	+0.24

ECONOMIC SCENE

Corporate Tax Increase Holds Dangers for U.S.

By Sylvia Nasar
New York Times Service

NEW YORK — If President Bill Clinton wants to jumpstart investment and kick the American job machine into higher gear, why would he raise corporate taxes? Arguing that corporate tax makes capital more costly, favors debt financing and puns up the tax system, conservatives from Milton Friedman to Alan Greenspan have long advocated that it be abolished.

The Treasury could easily replace the \$100 billion or so it raises from corporations, they taxing business owners — the shareholders — for profits or losses.

Many public-finance economists are inclined to agree that the corporate tax has serious drawbacks. But as a practical matter few are particularly upset by the president's proposal to raise the tax rate on large companies to 36 percent, from 34 percent. Combined with a temporary investment tax credit, they say, the increase is apt to raise money without discouraging new investment.

"It's hard to get alarmed about a 2 percentage-point increase in the corporate tax rate," said Alan J. Auerbach, an economist at the University of Pennsylvania and, until recently, the chief economist at the Joint Tax Committee.

"I prefer lower rates and fewer preferences, including investment incentives," said Joel B. Slemrod, director of the Office of Tax Policy Research at the University of Michigan. "But it's not the biggest deal in the world."

James M. Poterba, an economist at the Massachusetts Institute of Technology, said, "It's a tax on past investments," adding "a tax on something that can't be changed is a public-finance economist's idea of a terrific tax."

In general, economists favor low rates over high ones because they believe that the free market allocates resources better than government tax writers. And the existence of two parallel tax systems, one for corporations, another for individuals, creates opportunities for people to shift income back and forth in hopes of

But opposition to the Clinton move is muted.

See TAX, Page 12

Bentsen Talks Dollar To Low Against Yen

Compiled by Our Staff From Dispatches

NEW YORK — The dollar skidded to a record low against the Japanese yen Friday after Treasury Secretary Lloyd Bentsen surprised the market with an emphatic call for a stronger yen to help shrink Japan's trade surplus.

"I'd like to see a stronger yen," Mr. Bentsen told reporters. "It would help us with trade."

After his comment, the dollar fell sharply in New York against the Japanese currency, closing at 118.32 yen, an all-time low. The previous low for the dollar had been 118.65, set on Sept. 30.

Mr. Bentsen did not dwell on the subject in an appearance at the National Press Club in Washington but currency dealers interpreted his remark as the statement of a policy the administration will pursue aggressively.

"It's been made especially clear that the U.S. administration is pushing for a stronger yen to correct the trade imbalance with Japan," said Ronald H. Holzer, chief dealer at Harris Trust & Savings Bank in Chicago.

The Bentsen comment also lent support to recent speculation that the Group of Seven major industrialized countries would recommend a higher yen when they meet in London on Feb. 27. That speculation has helped drive the dollar 5 percent lower against Japan's currency this month.

A stronger yen would make Japanese exports more expensive and could curb Japan's growing trade surpluses with other nations.

Figures released Thursday showed that more than half of the \$84.3 billion U.S. trade deficit in 1992 was with Japan. The \$49.6 billion deficit with Japan represented a \$6 billion dollar increase.

Mr. Bentsen's remark came hours after public comments by several Japanese officials expressing concern about the yen's rapid surge on foreign-exchange markets.

Prime Minister Kiichi Miyazawa told reporters, "It will be troublesome if it moves too wildly," after the dollar finished at 119.23, its lowest close ever in Tokyo.

The Japanese government favors a strong yen, but without rapid surges or foreign-exchange market volatility. Just Wednesday, the governor of the Bank of Japan, Yasuichi Mieno, said Japan should ensure that the yen stayed firm to help cut Japan's large trade surplus.

But on Friday, the minister

See DOLLAR, Page 8

Winners of the 1993 Valentine Classified Message Contest

TO MY MARVELOUS HUSBAND
I'm not for changes of money on
I writing this honey. But because I'm
so happy we're wed. Love, Mary

First Prize
\$600
Mary McCusker
Preguin, France

Second Prize
\$300
F. Nakhleh
London, England

Third Prize
\$120
Roseanna Thieblin
Paris, France

Honorable mentions:
Pat Mauro, Düsseldorf, Germany
Jasmine M. Tani, Geneva, Switzerland
Jarne Schustl, Innsbruck, Austria
Alix d'Anglejan-Chaillon, Paris, France

who will receive an IHT book.

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Denmark	D.Kr. 3,400	25%	1,800	1,000	
Finland	F.Mk. 2,200	25%	1,200	600	
France	F.F. 1,800	25%	900	540	
Germany (incl.)	D.Mk. 800	25%	360	200	
hand delivery	D.Mk. 810	25%	416	217	
Green Britain	£	190	25%	105	60
Greece	Dr. 60,000	25%	30,000	20,000	
Ireland	Ir.£. 220	25%	120	60	
Italy	Lira 450,000	25%	225,000	138,000	
Luxembourg	L.Fr. 15,000	25%	7,100	3,000	
Netherlands	Fl. 710	25%	360	215	
Norway	N.Kr. 3,200	25%	1,600	900	
Portugal	Esc. 48,000	25%	24,000	13,700	
Spain	Pes. 42,000	25%	21,000	12,700	
hand delivery	Pes. 55,000	25%	27,500	15,700	
Sweden (incl.)	S.Kr. 2,800	25%	1,400	800	
hand delivery	S.Kr. 3,300	25%	1,600	900	
Switzerland	S.Fr. 600	25%	300	180	
Rest of Europe, U.S. Africa, former French Africa, Middle East, Gulf States, Asia, Central and South America, Rest of Africa	£	890	25%	345	—
£	780	25%	430	—	
£	900	25%	495	—	

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HERALD INTERNATIONAL TRIBUNE

CURRENCY & INTEREST RATES

Cross Rates	Feb. 19	Feb. 18	% Change
American \$	1.00	1.00	0.00
British £	1.60	1.60	0.00
French F	6.55	6.55	0.00
German D	1.93	1.93	0.00
Japanese ¥	118.32	118.65	-0.28
Swiss S	1.48	1.48	0.00
Canadian C	0.75	0.75	0.00
Australian A	1.45	1.45	0.00
Other Dollar Values <td></td> <td></td> <td></td>			
Argentine P	1,450	1,450	0.00
Austrian S	13.76	13.76	0.00
Belgian B	40.33	40.33	0.00
Canadian C	0.75	0.75	0.00
Chinese Y	8.27	8.27	0.00
Danish Kr	6.46	6.46	0.00
French F	6.55	6.55	0.00
German D	1.93	1.93	0.00
Italian L	1,936	1,936	0.00
Japanese ¥	118.32	118.65	-0.28
Swiss S	1.48	1.48	0.00
UK £	1.60	1.60	0.00

Key Money Rates	United States	Britain	Germany	France	Japan
Discount rate	5.00	5.00	5.00	5.00	5.00
Call money	4.00	4.00	4.00	4.00	4.00
1-month interbank	3.00	3.00	3.00	3.00	3.00
3-month interbank	2.50	2.50	2.50	2.50	2.50
6-month interbank	2.00	2.00	2.00	2.00	2.00
1-year interbank	1.50	1.50	1.50	1.50	1.50
10-year Government bond	4.25	4.25	4.25	4.25	4.25

MARKET DIARY

Program Trading Sends Dow Higher

NEW YORK — Stock prices ended higher on the New York Stock Exchange on Friday after computer-guided buy programs tied to the double-winning hour boosted shares.

N.Y. Stocks

Thursday, rebounded 19.99 points to close at 3,322.18. Advancing common stocks outnumbered declining issues by a 3-to-2 margin. Trading was active, with around 307 million shares changing hands on the Big Board.

Standard & Poor's 500 Index gained 2.32 to 434.22 and the Nasdaq Composite Index rose 1.17 to 663.62. The American Stock Exchange Market Value Index climbed 0.11 to 402.39.

A sharp loss in Philip Morris, the second-most active issue which was down 2 1/2 to 68 and is a key component of the Dow, put strain on the index. Other tobacco stocks were also lower on concerns about high-

cigarette taxes in President Bill Clinton's economic program. Investors were still trying to figure out the economic ramifications of the president's plan to boost taxes.

Some analysts were concerned that Mr. Clinton's plan to boost taxes would disrupt the economic recovery, causing corporate profits to sink. Others said the economic problems of raising taxes will be offset by low interest rates.

One pessimist is Byron Wien, a Morgan Stanley investment strategist. "Clinton's program is going to put us back in a recession," he said. "The plan stunts consumer spending and increases corporate costs. That means corporate profits will go down."

On the other side are people like Maury Harris, a FaineWebber economist. "We still expect real economic growth of 3 percent in 1993 and growth should remain almost that high in 1994," he said. Concern that the president's program would hurt the economy was being offset somewhat by optimism about low interest rates, analysts said.

(Bloomberg, UPI)

DOLLAR: A Low Against the Yen

(Continued from first finance page) senior market strategist at IDEA, a consulting firm. In other trading, the dollar gained against the Deutsche mark amid signs that German inflation is ebbing. The Bundesbank said Germany's M-3 money supply contracted 2.3 percent from a fourth-quarter 1992 base, but cautioned that the number was distorted because money-supply growth was so strong in the base period.

Low German inflation would give the Bundesbank more room to ease the high interest rates, which have created strong demand for mark-denominated investments.

At the close in New York, the dollar stood at 1.6380 DM, up from 1.6315 DM on Thursday. The U.S. currency also ended at 1.5090 Swiss franc, down from 1.5075 franc, and at 5.547 French franc, down from 5.5075 franc.

The British pound closed at \$1.454, up from \$1.4475, while the Italian lire weakened to 1,570 per dollar compared with 1,555 on Thursday.

In earlier European trading, the lira tumbled after Italy's finance minister, Giovanni Goria, and health minister, Francesco De Lorenzo, resigned. Last week, Justice Minister Claudio Martelli quit after becoming implicated in a bribery scandal sweeping the country.

The Italian currency finished at 960.00 per Deutsche mark, from 953.75 late Thursday, making a nearly 30-lira fall for the week. Domestic nonbank institutions, big players in recent currency intervention, transferred 26 billion Deutsche marks (\$15.73 billion) in the month, for example. The amount of cash in circulation in January also fell a sharp 8 billion DM to 192.5 billion DM, which is most likely related to a tax on domestic interest income that went into effect at the beginning of the year, the Bundesbank said.

M-3 includes cash in circulation, sight deposits, time deposits under four years and most savings accounts.

But he added: "We will continue to watch carefully and make close contacts with each nation." The G-7 groups Britain, Canada, France, Germany, Italy, Japan and the United States.

Dealers said that because Japan's trade surpluses were still growing, speculation about political coordination to guide the yen higher would not disappear easily.

"Political pressure is driving the yen higher," said Marc Chandler.

(AP, AFP, Reuters, Bloomberg)

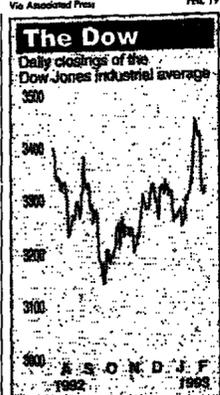


Table titled 'Dow Jones Averages' showing Open, High, Low, Last, and Chg. for various indices including Industrials, Transportation, Utilities, and Finance.

Table titled 'Standard & Poor's Indexes' showing High, Low, Close, and Chg. for various sectors like Industrials, Transportation, Utilities, and Finance.

Table titled 'NYSE Most Active' listing top trading volumes for various stocks like IBM, Microsoft, and Intel.

Table titled 'NYSE Diary' showing advanced, declined, and unchanged issues along with total issues.

Table titled 'Amex Diary' showing advanced, declined, and unchanged issues along with total issues.

Table titled 'NASDAQ Diary' showing advanced, declined, and unchanged issues along with total issues.

EUROPEAN FUTURES

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Table titled 'Oil' showing futures prices for various oil contracts.

Table titled 'Financial' showing futures prices for various financial instruments like Treasury bills and bonds.

Table titled 'Stock Indexes' showing futures prices for various stock indices like DAX, CAC, and Nikkei.

Table titled 'Spot Commodities' showing prices for various commodities like Wheat, Corn, and Soybeans.

Table titled 'Dividends' showing dividend information for various companies.

EUROPEAN FUTURES

Table titled 'Food' showing futures prices for various commodities like Sugar, Cocoa, and Coffee.

Table titled 'Metals' showing futures prices for various metals like Aluminum, Copper, and Zinc.

Table titled 'Stock Indexes' showing futures prices for various stock indices like DAX, CAC, and Nikkei.

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Court Allows Purchase of N.Y. Post

NEW YORK (AP) — A bankruptcy judge approved Friday the sale of the New York Post to a buyer whose bill-collecting company is under fire from federal authorities because of alleged fraud.

Steven Hoffenberg now must sell the sale to the federal judge handling the Securities and Exchange Commission case against his company, Towers Financial Corp.

No date for that hearing has been set, but U.S. District Court Judge Whitman Knapp has said that he views such a sale favorably as long as Mr. Hoffenberg's other assets are not moved to the Post.

McDonnell/Pratt Team in Taiwan

TAIPEI (Bloomberg) — McDonnell Douglas Corp. and United Technologies Inc. said Friday they had sent teams of senior executives to Taiwan to help restore the public's confidence in the MD-11 airliner after the plane was grounded indefinitely by Taiwan's Civil Aviation Authority.

The airline's MD-11s are powered by three PW-400 turbofans made by United Technologies' Pratt & Whitney unit. During their visit, the two teams plan to discuss details about the problems.

China Airlines decided to ground the plane after public outcry grew in response to five engine-damaging compressor surges since last November, as well as four other incidents involving circuit-breaker malfunctions and turbulence.

Pratt said it has already devised modifications to prevent the surges, and installed them on the China Airlines MD-11s.

GM Offers New Plan on Cutbacks

DETROIT (AP) — General Motors Corp. offered Friday some white-collar employees paid leave followed by mandatory departure as GM tried to trim its work force and dramatically cut costs.

Salvaged workers who have been with the company for at least a year will be eligible for fully paid leave of six to 15 months, depending on tenure. After that, they must quit.

GM officials hope the plan, plus attrition, will reduce the white-collar work force by another 8,000, to 71,000 people, by the end of the year. GM officials did not immediately know how many workers would be eligible for the new plan.

Lilly Confirms Government Inquiry

INDIANAPOLIS (AP) — A federal grand jury is investigating whether Eli Lilly & Co. is complying with government rules covering the company's drug-manufacturing operations, Lilly said Friday.

The company said in a statement that it believed the inquiry stemmed from an agreement Lilly signed with the Food and Drug Administration in 1989 to improve quality control systems.

Lilly said that the government had not questioned the safety or effectiveness of any of its drugs.

Prince to Keep 9.99% of Citicorp

WASHINGTON (Reuters) — Prince Waleed bin Talal of Saudi Arabia, the largest single stockholder of Citicorp, said Friday that he intended to sell over the next three months part of his stake in the banking giant so that his ownership remained at 9.99 percent of the common stock outstanding.

In a filing with the Securities and Exchange Commission, the prince said that based on the number of Citicorp common shares outstanding as of Jan. 31, it was estimated that he would sell from 9.2 million to 12.8 million shares.

Oxy Gets \$560 Million From Stock

LOS ANGELES (Reuters) — Occidental Petroleum Corp. said Friday that it had privately placed 11.5 million shares of cumulative convertible preferred stock and received in exchange \$563 million, which it will use to pay off long-term debt.

The preferred stock has a liquidation preference of \$50 per share, plus accrued dividends, and is convertible after March 30 into common shares at an initial price of \$22.76 per share.

WORLD STOCK MARKETS

Table titled 'WORLD STOCK MARKETS' showing stock market data for various cities including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Montreal, Paris, Sao Paulo, Singapore, Stockholm, Tokyo, Zurich, and Johannesburg.

BUNDESBANK: M-3 Slows

(Continued from first finance page) in January's money supply, a spokesman for the Bundesbank said, was a "reversal of extraordinary factors" that had exacerbated money supply growth in the fourth quarter of 1992, the base for the percentage comparison.

Domestic nonbank institutions, big players in recent currency intervention, transferred 26 billion Deutsche marks (\$15.73 billion) in the month, for example. The amount of cash in circulation in January also fell a sharp 8 billion DM to 192.5 billion DM, which is most likely related to a tax on domestic interest income that went into effect at the beginning of the year, the Bundesbank said.

M-3 includes cash in circulation, sight deposits, time deposits under four years and most savings accounts.

But he added: "We will continue to watch carefully and make close contacts with each nation." The G-7 groups Britain, Canada, France, Germany, Italy, Japan and the United States.

Dealers said that because Japan's trade surpluses were still growing, speculation about political coordination to guide the yen higher would not disappear easily.

"Political pressure is driving the yen higher," said Marc Chandler.

(AP, AFP, Reuters, Bloomberg)

U.S. FUTURES

Table titled 'U.S. FUTURES' showing futures prices for various commodities including Grains, Livestock, Metals, Oil, and Financial instruments.

U.S. / AT THE CLOSE

Table titled 'U.S. / AT THE CLOSE' showing stock market data for various indices and sectors including Dow Jones, S&P 500, and various industry indices.

Sweden May Boost Support for Krona

Compiled by Our Staff From Dispatches
STOCKHOLM — Sweden's central bank said Friday it might buy more kronor than it had previously pledged in order to better support the currency.

The Riksbank already has said it would sell a large part of more than 50 billion kronor (\$6.6 billion) in foreign-currency borrowings to buy kronor, noted Eva Srejber, head of the Riksbank's monetary and currency policy section.

In a written comment to the financial daily *Dagens Industri*, she said that "in addition, there could be further sums as part of programs that have not yet been decided."

Ms. Srejber also said the Riksbank had supported the krona on the open market for a total of 7.5 billion kronor so far this year. She characterized this amount as small in relation to total foreign-currency borrowing plans, set at 52 billion kronor for the first quarter of 1993.

The krona strengthened to 4.6120 against the Deutsche mark

in Stockholm trading from early lows around 4.67. The Riksbank confirmed that it bought kronor during the morning after the currency touched its lowest level against the mark since the krona was floated last Nov. 19.

Nils Lundgren, chief economist of Nordbanken, said the krona's weakness was a result of companies and individuals in Sweden buying back foreign loans.

In London, meanwhile, the Central Bank of Ireland said it was lowering its key short-term facility rate to 13.0 percent from 13.75 percent, effective Monday.

The Irish punt was devalued by 10 percent against all other currencies in the European exchange-rate mechanism on Jan. 30, following months of speculative selling of the currency. The facility rate had been suspended between Nov. 23 last year and Feb. 5 this year, to deter selling of the punt.

(Reuters, AFX, Bloomberg)

Is What's Good for Fiat Good for Milan?

Bloomberg Business News
MILAN — Shares in Fiat SpA have surged 20 percent in the past week, leaving analysts puzzled and raising fears that the Milan bourse's image may suffer as a result.

"It doesn't do its reputation much good," said William Cowan, an analyst at James Capel & Co. in London. "It'll make people wary of the market, even if the Milanese are rejoicing."

From a closing price of 4,520 lire (\$2.90) on Feb. 11, Fiat ordinary shares surged 19 percent to close at 5,385 lire Thursday. On Friday, the shares stalled, closing at 5,360 lire.

On some days this week, Fiat ordinary and savings shares accounted for almost a quarter of the entire market's turnover. Fiat's surge spread to other companies controlled by the Agnelli family, which together account for 12 percent of the Milan market's capitalization.

Fiat was boosted by rumors that the company was in talks with outside partners including PSA Peugeot Citroën SA, Toyota Motor Co., or Deutsche Bank AG; the German bank already has a 2.6 percent stake.

Fiat has repeatedly denied the rumors, yet the shares kept rising. New rumors erupted: the Agnelli family itself was buying up

shares; Fiat was about to hold a press conference; Fiat was about to sell off some divisions. Each new rumor was denied.

All this worries market analysts. "If there is something to these stories, then there is insider trading going on, which will create a scandal," said a trader at Albertini & Co. "If there isn't any news, then the problem is that you have a market where just about the

1992 was not as bad as most had feared. In addition, he said, some recent research reports, notably one from CS First Boston released Wednesday, said the company could now be set for a rebound because of a slew of new models, lower wage costs and a devalued lira.

The improved outlook for Fiat encouraged foreign funds to buy the stock, which excited local speculators who see the arrival of any foreign buyers as a sign that a flood of money is about to descend, Mr. Digrandi said.

Then came the rumors, "and no one completely believed the denials," he said.

Capel's Mr. Cowan, however, said the fundamental reasons for buying Fiat were slim. "Even the First Boston report, which is the most optimistic, doesn't expect Fiat to get to even half its 1989 earnings until 1996," he said. "That's not wildly encouraging."

One reason Fiat shares have not declined with each denial, analysts said, is that market players in Milan often do not believe Italian companies, which generally divulge much less information than those in France or Britain.

Another reason, they said, is that insider trading is rife. Speculators took each wave of buying as confirmation that something was happening.

'If there isn't any news, then you have a market where a blue chip rises 20 percent just on rumors.'

biggest blue chip rises 20 percent just on rumors," the trader said. "How do you tell people to invest in a market like that?"

Some analysts said Fiat's rise was not that strange. "It's a composite effect of many things," said Carlo Digrandi, an analyst at Nomura Research in Milan. He said Fiat's annual letter to shareholders, issued on Jan. 28, indicated the group's decline in profits in

Exchange	Index	Friday Close	Prev. Close	% Change
Frankfurt DAX	1992	1,677.29	1,672.26	+0.31
London FTSE 100	1992	687.78	654.57	+0.48
Paris CAC 40	1992	924.96	914.95	+1.16
Amsterdam CSE 100	1992	2,208.80	2,197.20	+0.16
Brussels Stock Index	1992	2,840.00	2,837.70	+0.08
Madrid General Index	1992	238.20	238.50	-0.13
Nielsen NES	1992	2,111.00	1,120.00	-0.80
Stockholm ABO	1992	1,887.17	1,826.52	+0.55
Stockholm ABO	1992	1,163.91	1,145.81	+1.53
Viyenna Stock Index	1992	371.94	370.78	+0.31
Zurich SCS	1992	716.00	718.70	-0.51

Sources: Reuters, AFX
International Herald Tribune

Charity for DAF Begins at Home
Reuters
AMSTERDAM — From Prime Minister Ruud Lubbers to school children, the Dutch dug deep into their own pockets on Friday to raise money for the truckmaker DAF NV.

While banks hesitate over a rescue package, the public pledged more than 7 million guilders (\$3.8 million) to help build a new DAF from the ruins of the old company, which had to file for protection from creditors two weeks ago.

EC Abandons Bid to Develop an HDTV Standard

By Richard W. Stevenson
New York Times Service
LONDON — The European Community will abandon development of its technology for a new generation of televisions, officials said, bowing to the reality that more advanced systems under consideration in the United States will almost certainly become the worldwide standard.

In recommending on Thursday that the Community drop its plan to impose a European-developed high-definition system on broadcasters and program producers later in the decade, Martin Bangemann, the Community's industry and technology commissioner, acknowledged that there was no point

in supporting a technology that had already been overtaken in the race to provide sharp television pictures.

European officials said they were not conceding to the United States the right to dictate a worldwide standard. But they said they believed that some form of the technology being tested in the United States by the Federal Communications Commission would become the global norm.

The systems being studied by the FCC are all based on digital technology, in which broadcast signals are broken down into the bits and bits of computer language. The United States is expected to choose a standard from among a number of competing digital formats within the next year.

official who spoke on the condition of anonymity. "A global standard is the best way of course. If you have a European norm only, you can protect your own market, but you can't get access to others."

Japan, too, has recognized that its analog system may not be able to compete worldwide. NHK, the Japanese broadcasting company, last week pulled its analog technology out of the FCC's competition in the United States.

The European Community had made developing a high-definition television system a centerpiece of its industrial policy. It pumped an estimated \$1 billion of public funds into the effort.

in supporting a technology that had already been overtaken in the race to provide sharp television pictures.

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Very briefly:

- The British Treasury's team of independent economic advisers said in their first report that that they were unsure if interest rates were low enough; the team, appointed at the end of last year, also said that there should be no explicit target for the pound's exchange rate and that Britain should not return early to the exchange-rate mechanism.
- East German engineering unions moved closer to confrontation when talks on employers' attempts to cancel a previously agreed wage increase broke down in two states following failed talks in two other states earlier this week.
- The German Automobile Industry Association said new car registrations fell 27.5 percent in January from a year ago, to 238,246 vehicles, and warned that sales were expected to shrink by up to 20 percent this year due to a slowing economy.
- Pierson Holding & Pierson and Bank Mees & Hope, two Dutch banks owned by ABN-AMRO Holding NV, said that they would slash one-fifth of their combined work force over three years as part of a merger plan announced in November.
- Lloyd's of London said it would cut its staff to 1,900 from 2,200 by the end of February and to 1,600 by the end of 1993.
- TAP, the Portuguese airline, said it would phase out Air Atlantis SA, its charter subsidiary, as part of a program to cut heavy losses.
- Volkswagen AG said it was likely to extend its schedule of shortened working hours into the second quarter of 1993. The company's main plant in Wolfsburg has scheduled 14 days of shortened work in the first quarter of the year.
- United Biscuits Holdings PLC said it may sell Terry's of York, a subsidiary specializing in chocolate; analysts said the company was probably worth between £170 million (\$245 million) and £200 million.
- Treubhandstat, the agency charged with selling off East German industry, said it would remain active until at least the end of 1994.
- RWE AG, the German energy concern, posted net profit of 395 million Deutsche marks (\$239 million) in the first half of 1992, hardly changed from 398 million DM last year; the company said it expected to maintain sales, profit and the dividend for the full year.
- DG Bank of Germany said operating profit in 1992 jumped to 340 million DM from 94 million DM and the bank attributed much of the rise to restructuring.

Reuters, Bloomberg, AFX

EFFECTS: Business Split Over Clinton Tax Proposals

(Continued from first finance page)

from the Clinton plan. "We've had three projects in the \$100 million range that have been put on the back burner in the last few months and I can think of at least one where these tax incentives will make a difference," he said.

Mr. Gilbane manages big construction projects like the new international terminal at Chicago's O'Hare airport, using subcontractors to provide most of the manual labor. More recently, however, the company has made a push into highway, bridge and pollution control facilities construction — exactly the areas targeted by Mr. Clinton for additional funding.

As a result, Mr. Gilbane expects the company to grow 15 percent to 20 percent this year, adding "signifi-

cantly" to his 900 permanent employees.

Many economists look to the drug industry to be one of the engines of growth in the future, but at Eli Lilly & Co., executives were still smarting from Mr. Clinton's criticism of their prices and were unimpressed with the details of his economic plan.

W. Leigh Thompson, the company's chief scientific officer, said higher energy and income taxes, and the proposed elimination of a special tax break for its manufacturing facility in Puerto Rico,

would put the company in a bind. In the current political environment, he said, it was impossible to pass along higher costs in the form of higher drug prices.

Another company that prides itself on its research and development is Nike Inc., the Oregon shoe-maker, which claims to spend more than all of its competitors combined. But its president, Richard Donabue, said that that effort would be unaffected by higher taxes on profit, which he expects will simply be passed along to consumers in the form of higher prices.

DEBT: Interest Saving Plan Puzzles Treasury Market

(Continued from first finance page)

ic lows, traders and analysts questioned the wisdom of selling less long-term debt.

"The Treasury makes every effort to sell its debt in the least costly, most efficient way," said Richard M. Kelly, chairman and chief executive of Aunby G. Lanston & Co., a primary dealer in government securities. "But given their huge borrowing needs currently and prospectively, it makes no sense to be cutting back in any maturity area."

Questions about the administra-

tion's projections and tactics grew Thursday after Treasury Secretary Lloyd Bentsen said that although the Treasury was studying the matter, there would be no "radical change" in the mix of Treasury securities to be sold.

"I had been assuming that a major reduction in the amount of bonds to be sold was virtually assured," said Louis Crandall, chief economist at R.H. Wrightson & Associates, a Wall Street economic consulting firm. "But Secretary Bentsen's muddled the waters all over again."

In fact, Mr. Bentsen's comments seemed consistent with what the Treasury said and did late last month, when it announced the quarterly refunding auctions held in early February. At that time, the Treasury cut the amount of 30-year bonds sold to \$9 billion from \$10 billion.

However, the estimated interest savings released late Wednesday were not produced by the Treasury Department, but by White House budget director Leon Panetta's Office of Management and Budget.

Currently, the government sells about \$20 billion of three-month and six-month bills each week.

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ANNOUNCEMENT

INVESTMENT OPPORTUNITY WHITE GOODS PLANT

The Engineering Industries Holding Company owned by the Government of Egypt, and its affiliate El Nasr Company for Electrical and Electronic apparatus announce the proposed divestiture of the White Goods Plant.

The White Goods Plant, a new plant, produces refrigerators, washing machines (white goods) under the Philips brand. The Plant primarily does assembly using imported Philips components to produce high quality appliances. The plant has the option of using the Philips name alone of Philips/Whirlpool until 1997.

Attractive features of the acquisition opportunity are:

- Plant buildings occupy approximately 40 percent of the facility's 110472 square meters of land
- Book value of assets are 42.7 million Egyptian Pounds.
- The Plant has skilled and experienced production management and staff.
- There is a transferable tax holiday until 2001.

Parties interested in this unique opportunity may obtain the necessary information describing the Plant from the Financial Agent named below.

Mr. Ismail Hassan Mohamed
 Bank of Alexandria
 49 Kasr El Nil Street
 Cairo, Egypt
 Telephone: (202) 3919686.

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NYSE

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Open Dr. Yr PE High Low Latest Close

12 Month High	Low	Open	Dr.	Yr PE	High	Low	Latest Close
100	95	98	+	15	105	90	98
110	105	108	+	18	115	100	108
120	115	118	+	20	125	110	118
130	125	128	+	22	135	120	128
140	135	138	+	25	145	130	138
150	145	148	+	28	155	140	148
160	155	158	+	30	165	150	158
170	165	168	+	32	175	160	168
180	175	178	+	35	185	170	178
190	185	188	+	38	195	180	188
200	195	198	+	40	205	190	198

12 Month High	Low	Open	Dr.	Yr PE	High	Low	Latest Close
210	205	208	+	42	215	200	208
220	215	218	+	45	225	210	218
230	225	228	+	48	235	220	228
240	235	238	+	50	245	230	238
250	245	248	+	52	255	240	248
260	255	258	+	55	265	250	258
270	265	268	+	58	275	260	268
280	275	278	+	60	285	270	278
290	285	288	+	62	295	280	288
300	295	298	+	65	305	290	298

12 Month High	Low	Open	Dr.	Yr PE	High	Low	Latest Close
310	305	308	+	68	315	300	308
320	315	318	+	70	325	310	318
330	325	328	+	72	335	320	328
340	335	338	+	75	345	330	338
350	345	348	+	78	355	340	348
360	355	358	+	80	365	350	358
370	365	368	+	82	375	360	368
380	375	378	+	85	385	370	378
390	385	388	+	88	395	380	388
400	395	398	+	90	405	390	398

12 Month High	Low	Open	Dr.	Yr PE	High	Low	Latest Close
410	405	408	+	92	415	400	408
420	415	418	+	95	425	410	418
430	425	428	+	98	435	420	428
440	435	438	+	100	445	430	438
450	445	448	+	102	455	440	448
460	455	458	+	105	465	450	458
470	465	468	+	108	475	460	468
480	475	478	+	110	485	470	478
490	485	488	+	112	495	480	488
500	495	498	+	115	505	490	498

12 Month High	Low	Open	Dr.	Yr PE	High	Low	Latest Close
510	505	508	+	118	515	500	508
520	515	518	+	120	525	510	518
530	525	528	+	122	535	520	528
540	535	538	+	125	545	530	538
550	545	548	+	128	555	540	548
560	555	558	+	130	565	550	558
570	565	568	+	132	575	560	568
580	575	578	+	135	585	570	578
590	585	588	+	138	595	580	588
600	595	598	+	140	605	590	598

12 Month High	Low	Open	Dr.	Yr PE	High	Low	Latest Close
610	605	608	+	142	615	600	608
620	615	618	+	145	625	610	618
630	625	628	+	148	635	620	628
640	635	638	+	150	645	630	638
650	645	648	+	152	655	640	648
660	655	658	+	155	665	650	658
670	665	668	+	158	675	660	668
680	675	678	+	160	685	670	678
690	685	688	+	162	695	680	688
700	695	698	+	165	705	690	698

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(Continued on next page)

صحة من الاعمال

Thai Central Bank Reassures Markets by Buoying First City

BANGKOK — The Bank of Thailand moved Friday to reassure local markets by orchestrating a government bailout of First City Investment Co., a finance company that collapsed earlier this week.

The central bank will take a 27 percent stake in First City through its Fund for Rehabilitation and Development of Financial Institutions, Governor Vithai Sopit said. Also, the state-controlled Industrial Finance Corp. of Thailand will take a 10 percent stake and gain management control, Mr. Vithai said.

First City also will receive a soft loan from the central bank to repay deposits on promissory notes, Mr. Vithai said.

The finance company triggered a stock market tumble on Monday when it told authorities it could not repay its debts. First City had faced a steady run on its deposits since

November, when the authorities launched a crackdown on share manipulation.

The Stock Exchange of Thailand index, which fell nearly 2 percent in the first hour of trading Friday, recovered to close 1.37 points higher at 962.80. The index was still down 3.6 percent this week.

Brokers said investors were reassured by the central bank's action. "Morale improved and investors tried to buy fundamental stocks," said Chuchaval Thanvarachon, vice-president of securities at Thai Fuji Finance and Securities.

Others were still bearish. A broker at Union Securities said she felt the market would remain skittish for at least a month "unless the government or the Bank of Thailand says it will help the market, which would be very silly."

The market also has been hit by rumors that several other finance companies were facing runs from

depositors. But Mr. Vithai said First City was "a problem of a company which should not affect the whole finance sector."

The central bank said that a restructured First City was expected to resume business within 45 days.

Mr. Vithai also said the central bank had a responsibility to decide whether to take punitive action against First City's management, but he did not elaborate.

Prime Minister Chuan Leekpai said Thursday that someone or some organization would have to be punished for the First City fiasco.

"Whoever caused something to happen will have to bear the consequences," he said. "We will have to investigate the facts."

Media and business circles have criticized the Securities and Exchange Commission, the stock exchange and the central bank for not regulating the company carefully.

(Reuters, Bloomberg)

Hong Kong Airport Head Ousted

Government Says Work on Project Won't Be Slowed

HONG KONG — Local politicians were concerned Friday by the surprise replacement of the head of Hong Kong's Provisional Airport Authority, and demanded that the government explain why Richard Allen was replaced by Henry Townsend.

But a government spokesman said the management change, which was announced Thursday night, would not slow work on the colony's controversial \$2.25 billion airport.

One Legislative Council member said he intended to ask the government for an explanation of its action. "We know that the airport core program is working to a very tight schedule," said Leong Cheung, the council member. "How much will this hold up the whole thing?"

China has been trying to block the airport, one of the world's biggest infrastructure projects, arguing that it is too expensive and will saddle Beijing with debt after Hong Kong's 1997 transition to Chinese sovereignty.

The project includes roads, railways, bridges and a tunnel as well as a new airport.

In the last five months, hopes for a breakthrough have been frustrated by the Chinese-British dispute over political reform in the territory. But

Hong Kong has pressed ahead and the government is confident the new airport authority appointee will maintain the project's momentum, the government spokesman said.

"The government remains fully committed to completing the airport at Chek Lap Kok to the maximum extent possible by 1997," the spokesman said.

Mr. Allen was appointed two years ago on a contract due to run through 1997. But there have been complaints over his management style and consultants have protested over conditions imposed on airport contracts.

One report said that angry consultants may have ganged up against Mr. Allen to force him out.

An airport authority spokesman said in a statement the decision that Mr. Allen be replaced was mutual and that Mr. Townsend would take over immediately. Until recently, Mr. Townsend was consultant project manager on Hong Kong's Airport Core Program, working in the government's New Airport Projects Coordination Office.

The authority spokesman said he had been closely involved for three years with the proposed new airport.

Investor's Asia

Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong Hang Seng	6,770.09	6,770.09	6,186.94	+9.27
Singapore Straits Times	1,589.04	1,589.04	1,532.13	+3.65
Sydney All Ordinaries	1,594.70	1,594.70	1,607.30	-0.78
Tokyo Nikkei 225	17,810.69	17,810.69	16,982.14	+4.88
Kuala Lumpur Composite	629.43	629.43	623.11	+1.01
Bangkok SET	982.80	982.80	981.43	+0.14
Seoul Composite Stock	654.52	654.52	653.91	+0.09
Taipei Weighted Price	3,912.67	3,912.67	3,961.50	-1.23
Manila Composite	1,473.24	1,473.24	1,456.26	+1.18
Jakarta Stock Index	309.44	309.44	301.92	+2.33
New Zealand NZSE-40	1,572.53	1,572.53	1,590.69	-1.16
Bombay National Index	Closed	Closed	1,201.60	

Sources: Reuters, AFP
International Herald Tribune

Pioneer Net Plummets

TOKYO — Pioneer Electronic Corp. said Friday its group net profit had plunged nearly 61 percent in the last three months of 1992. Sluggish domestic sales and a strong yen depressed profit in the financial third quarter to 4.91 billion yen (\$41.2 million), after 12.52 billion yen a year earlier, it said. Pioneer's global revenue was down 9.6 percent, at 167 billion yen, mainly depressed by lower sales in Japan.

The audio maker, which shocked Japan with its plan to force 35 managers to retire early, also said it would cut the salaries of 25 executives by up to 20 percent because of its poor performance.

Pioneer also cut its forecast for net profit in the year that ends March 31 to 16.3 billion yen, from a November forecast of 21.8 billion yen. Managing Director Masaaki Sono said. Pioneer had net profit of 17.81 billion yen the previous financial year.

"Looking ahead," the company said, "we will continue to encounter a difficult operating environment caused by economic uncertainty worldwide, unstable exchange rates and intensifying competition in our major markets."

Separately, Akai Electric Co. announced a loss of 554 million yen for its financial year, which ended Nov. 30, compared with a profit of 1.7 billion yen the year earlier.

(Reuters, AFP)

Scramble for Stock Hurts Hong Kong

HONG KONG — The head of the future Hong Kong Monetary Authority says the enormous demand for several recent initial public offerings of stock is hurting Hong Kong's status as an international financial center.

"We have people saying that this sort of thing only happens in Hong Kong, that it is Mickey Mouse, and that is damaging to our credibility as a financial center," said Joseph Yam, chief executive-designate of the agency, in an interview.

The authority, which is expected to be in full operation in April, will act as Hong Kong's quasi-central bank, though it will be answerable to the colony's government.

Mr. Yam's comments follow the record 657-times oversubscription for an offer by a China-controlled automobile company, Denway Investment, last week, and the subsequent

opening of an inquiry by Mr. Yam and other senior government officials into the possible risks oversubscription poses to the banking system.

The Denway flotation attracted 240 billion Hong Kong dollars (\$31 billion) worth of funds from applicants — about four times the value of the banknotes in circulation in the colony — for just 362 million dollars in shares available for public subscription.

The sum was a record for a share offer. The demand for funds created by the offering pushed interbank interest rates up briefly and forced the Office of the Exchange Fund, which is the precursor to the Monetary Authority, to inject funds into the money markets.

Mr. Yam said that such an oversubscription in the United States could lead the issuer to sue the underwriters for not pricing correctly.

Mr. Yam said the investigation into the potential impact on the banking system was focusing on what might happen if one of the parties involved in an issue went bankrupt.

Mr. Yam also said the monetary authority intended for the first time to invest part of Hong Kong's huge Exchange Fund reserves in equities. But it would be the U.S. stock market rather than the Hong Kong exchange that would receive money from the fund, which is kept as a war chest to defend the stability of the Hong Kong dollar.

"We are thinking in terms of going into U.S. equities but possibly on a passive basis to start — with an index-fund type of management," said Mr. Yam.

Last July, the Hong Kong government said the Exchange Fund had 236.1 billion dollars in assets at the end of 1991.

Very briefly:

- The Australian government and trade union leaders agreed to tie increased wage and pension benefits over the next three years to a target of creating 500,000 new jobs.
 - Toyota Motor Corp. said it would issue \$1.5 billion worth of five-year bonds on the Eurobond next week, adding that the issue would be the largest Eurobond float by a private company. The Eurobonds will pay for redemption of bonds with worthless warrants issued by Toyota in 1989.
 - Taiwan growth in gross national product terms slowed to 6.06 percent last year, from 7.24 percent in 1991, as the weakness of the global economy hurt the island's export boom.
 - Sony Corp., battered by poor sales in audio and video equipment, has shifted some 100 clerical workers to its sales section and is cutting back on hiring, a company official said.
 - John Fairfax Holdings Ltd. posted a net profit of 36 million Australian dollars (\$24.7 million) for the six months ended Dec. 31. No comparable figures were available for the year-earlier period, when Fairfax was in the hands of receivers.
 - Japan's money supply continued to shrink in January for the fifth consecutive month but its recent declining trend appeared to have hit bottom, economists said.
 - NKK Corp., the Japanese steelmaker, signed an agreement with Taiwan's Macronix International Co. to jointly develop an advanced 16-megabit flash memory chip for electronics products.
 - Asahi Breweries Ltd. reported a fall of 19.57 percent in current profit to 14,034 billion yen (\$110 million) for 1992.
 - Fuji Xerox Co. said it had signed a contract with Apple Computer Inc. to supply its small laser printers on an original-equipment-manufacturer basis to expand its printer business. Fuji Xerox Film Co. and Xerox Corp. each hold 50 percent stakes in Fuji Xerox.
 - NSK Ltd. of Japan will supply South Korea's top automakers with air bags, a company spokesman said; the purchasers include Daewoo Motor Co. and Hyundai Motor Co.
 - Singapore Press Holdings said it was scouring the world for journalistic talent to position itself to build an Asian news network that would eventually reduce its reliance on news agencies.
- Bloomberg, Reuters, AFP, AFX, AP

Honda Profit Weakens

TOKYO — Honda Motor Co. said Friday its group pretax earnings had dropped 16.9 percent in the third quarter, to 18.2 billion yen (\$146 million), as sales declined in virtually all markets except Asia.

The company announced an even sharper decline in net profit in the three months ended Dec. 31, although operating earnings were up slightly.

Worldwide sales fell 6.7 percent to 976 billion yen, depressed by sharply lower car sales that offset increased sales of motorcycles and other products.

Car revenue fell 10.1 percent to 785 billion yen, while volume was down 6.9 percent to 435,000 units.

But analysts said cost-cutting measures and a stronger U.S. market would boost the company's earnings in the year ahead.

(AFP, Bloomberg)

Westpac's New Executive Wants to 'Get It Right'

SYDNEY — Bob Joss, the new chief executive of Westpac Banking Corp., said in his first public appearance Friday that he planned to turn the ailing bank into the best-managed financial institution in Australia.

"We'll be moving fast," he said. "Time is of the essence. We have a great deal of urgency about getting it right."

But Mr. Joss was short on details

about his strategy after only five days on the job, and he declined to say if the bank would show a first-half profit following a loss in 1992 of 156 billion Australian dollars (\$1.07 billion).

He also declined to discuss the fate of the bank's dividend, which was halved last year.

Mr. Joss, 51, is a former executive of Wells Fargo & Co. who was recruited by the Westpac board after a calamitous year that soured its

public reputation along with its earnings. He replaced Frank Conroy, who abruptly quit in December following a reported dispute with Kerry Packer, the bank's second-largest shareholder, over the pace and extent of restructuring.

Mr. Joss said that he would be interested in the views of Mr. Packer, who resigned last month after only one week on the board in a dispute over the restructuring plan.

"Mr. Packer is a big shareholder and big shareholders are important to me," Mr. Joss said. "I'm a shareholder-oriented person and I want to get shareholders' views about how they think we can enhance the value of the firm."

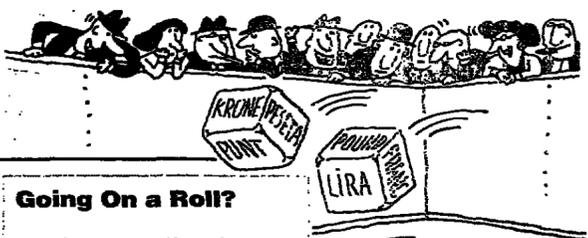
Westpac shares have been creeping higher since Mr. Joss was appointed, after hitting a low of 2.49 dollars in early November. The stock closed at 3.22 dollars on Friday, compared with 4.02 dollars a year ago.

NYSE

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trading elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	12 Month High	Low	Stock	Div	Yld	PE	12 Month High	Low	Stock	Div	Yld	PE
100	90	IBM	6.00	4.5	15	150	140	IBM	6.00	4.5	15	150	140	IBM	6.00	4.5	15
120	110	Microsoft	0.00	0.0	15	120	110	Microsoft	0.00	0.0	15	120	110	Microsoft	0.00	0.0	15
150	140	Apple	0.00	0.0	15	150	140	Apple	0.00	0.0	15	150	140	Apple	0.00	0.0	15
180	170	Oracle	0.00	0.0	15	180	170	Oracle	0.00	0.0	15	180	170	Oracle	0.00	0.0	15
200	190	Novell	0.00	0.0	15	200	190	Novell	0.00	0.0	15	200	190	Novell	0.00	0.0	15
220	210	Lotus	0.00	0.0	15	220	210	Lotus	0.00	0.0	15	220	210	Lotus	0.00	0.0	15
240	230	Intuit	0.00	0.0	15	240	230	Intuit	0.00	0.0	15	240	230	Intuit	0.00	0.0	15
260	250	Parsons	0.00	0.0	15	260	250	Parsons	0.00	0.0	15	260	250	Parsons	0.00	0.0	15
280	270	Unisys	0.00	0.0	15	280	270	Unisys	0.00	0.0	15	280	270	Unisys	0.00	0.0	15
300	290	Unisys	0.00	0.0	15	300	290	Unisys	0.00	0.0	15	300	290	Unisys	0.00	0.0	15
320	310	Unisys	0.00	0.0	15	320	310	Unisys	0.00	0.0	15	320	310	Unisys	0.00	0.0	15
340	330	Unisys	0.00	0.0	15	340	330	Unisys	0.00	0.0	15	340	330	Unisys	0.00	0.0	15
360	350	Unisys	0.00	0.0	15	360	350	Unisys	0.00	0.0	15	360	350	Unisys	0.00	0.0	15
380	370	Unisys	0.00	0.0	15	380	370	Unisys	0.00	0.0	15	380	370	Unisys	0.00	0.0	15
400	390	Unisys	0.00	0.0	15	400	390	Unisys	0.00	0.0	15	400	390	Unisys	0.00	0.0	15
420	410	Unisys	0.00	0.0	15	420	410	Unisys	0.00	0.0	15	420	410	Unisys	0.00	0.0	15
440	430	Unisys	0.00	0.0	15	440	430	Unisys	0.00	0.0	15	440	430	Unisys	0.00	0.0	15
460	450	Unisys	0.00	0.0	15	460	450	Unisys	0.00	0.0	15	460	450	Unisys	0.00	0.0	15
480	470	Unisys	0.00	0.0	15	480	470	Unisys	0.00	0.0	15	480	470	Unisys	0.00	0.0	15
500	490	Unisys	0.00	0.0	15	500	490	Unisys	0.00	0.0	15	500	490	Unisys	0.00	0.0	15
520	510	Unisys	0.00	0.0	15	520	510	Unisys	0.00	0.0	15	520	510	Unisys	0.00	0.0	15
540	530	Unisys	0.00	0.0	15	540	530	Unisys	0.00	0.0	15	540	530	Unisys	0.00	0.0	15
560	550	Unisys	0.00	0.0	15	560	550	Unisys	0.00	0.0	15	560	550	Unisys	0.00	0.0	15
580	570	Unisys	0.00	0.0	15	580	570	Unisys	0.00	0.0	15	580	570	Unisys	0.00	0.0	15
600	590	Unisys	0.00	0.0	15	600	590	Unisys	0.00	0.0	15	600	590	Unisys	0.00	0.0	15
620	610	Unisys	0.00	0.0	15	620	610	Unisys	0.00	0.0	15	620	610	Unisys	0.00	0.0	15
640	630	Unisys	0.00	0.0	15	640	630	Unisys	0.00	0.0	15	640	630	Unisys	0.00	0.0	15
660	650	Unisys	0.00	0.0	15	660	650	Unisys	0.00	0.0	15	660	650	Unisys	0.00	0.0	15
680	670	Unisys	0.00	0.0	15	680	670	Unisys	0.00	0.0	15	680	670	Unisys	0.00	0.0	15
700	690	Unisys	0.00	0.0	15	700	690	Unisys	0.00	0.0	15	700	690	Unisys	0.00	0.0	15
720	710	Unisys	0.00	0.0	15	720	710	Unisys	0.00	0.0	15	720	710	Unisys	0.00	0.0	15
740	730	Unisys	0.00	0.0	15	740	730	Unisys	0.00	0.0	15	740	730	Unisys	0.00	0.0	15
760	750	Unisys	0.00	0.0	15	760	750	Unisys	0.00	0.0	15	760	750	Unisys	0.00	0.0	15
780	770	Unisys	0.00	0.0	15	780	770	Unisys	0.00	0.0	15	780	770	Unisys	0.00	0.0	15
800	790	Unisys	0.00	0.0	15	800	790	Unisys	0.00	0.0	15	800	790	Unisys	0.00	0.0	15
820	810	Unisys	0.00	0.0	15	820	810	Unisys	0.00	0.0	15	820	810	Unisys	0.00	0.0	15
840	830	Unisys	0.00	0.0	15	840	830	Unisys	0.00	0.0	15	840	830	Unisys	0.00	0.0	15
860	850	Unisys	0.00	0.0	15	860	850	Unisys	0.00	0.0	15	860	850	Unisys	0.00	0.0	15
880	870	Unisys	0.00	0.0	15	880	870	Unisys	0.00	0.0	15	880	870	Unisys	0.00	0.0	15
900	890	Unisys	0.00	0.0	15	900	890	Unisys	0.00	0.0	15	900	890	Unisys	0.00	0.0	15
920	910	Unisys	0.00	0.0	15	920	910	Unisys	0.00	0.0	15	920	910	Unisys	0.00	0.0	15
940	930	Unisys	0.00	0.0	15	940	930	Unisys	0.00	0.0	15	940	930	Unisys	0.00	0.0	15
960	950	Unisys	0.00	0.0	15												

THE REPORT



In Europe, the Year of the Bond

Expected Interest Rate Cuts Would Favor High Yielders

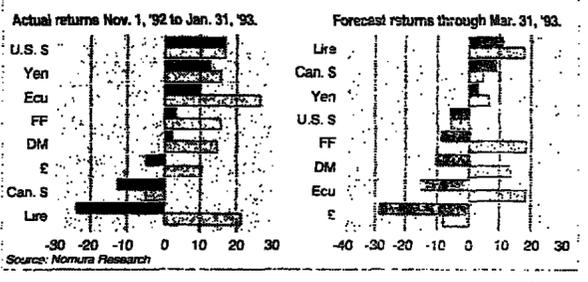
By Rupert Bruce
WITH a rare degree of consensus, bond pundits are forecasting that European markets will be second to none this year...

Italian rates and suggestions of a cut in Spanish rates. Robert Barrie, European economist at Barclays de Zoete Wedd in London, said that following the German rate cut, the time was right to buy high yielders...

There is also a resurrection of the old convergence argument, that the drive to monetary union will push interest rates down to the level of Germany's. Gordon Johns, managing director of Kemper Investment Management Co. in London, has 55 percent of the Kemper Global Income Fund, a U.S. domestic mutual fund, in Europe, but not for reasons of convergence...

Going On a Roll?

Annualized return on 10-year bonds. In U.S. dollar terms, in local currency.



Mr. Johns said: "U.S. dollar investors should be looking very carefully at investing in non-dollar bond markets, particularly Europe, because I think that 1993 will be a somewhat tricky year for the U.S. bond market and for a much better year elsewhere, particularly in Europe..."

Fiscal Pain?

Time to See Tax Doctor

So the sums didn't add up, and the news from President Clinton for the middle class U.S. taxpayer is worse than some people expected. But that should be no cause for despair, particularly for expatriate taxpayers, who typically have more flexibility than their domestic counterparts...

M.B.

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INTERNATIONAL FUNDS

Feb. 19, 1993

Table listing various international funds with columns for fund name, ticker, and price. Includes sections for 'INTERNATIONAL FUNDS', 'OPTIMA FUND MANAGEMENT', and 'Other Funds'.

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THE MONEY REPORT

Italian Market Between Scandal and Privatization

By Karina Robinson

THE Italian stock market has been having a tough time of it lately. Down more than 5 percent in just a few trading days, a succession of falls has mirrored the escalation of political scandal.

Following the resignation of Justice Minister Claudio Martelli, who is under investigation, the market was shaken by rumors that Prime Minister Giuliano Amato himself was about to be indicted.

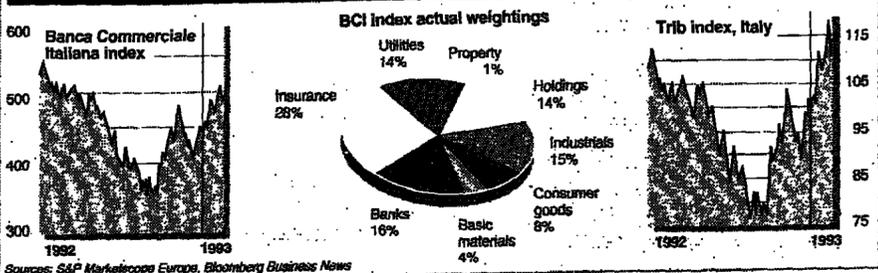
Francisco Schiavello, deputy head of equity investment at fund managers Romagest, is especially taken with privatization play BCI.

He sees a further 10 percent rise in the market to year-end. This is despite forecasts for gross domestic product growth of only 0.7 percent in 1993, rising to a meagre 1.7 percent in 1994.

But growth is far from the only problem facing the Italian economy. The ratio of Italy's debt to GDP is over 100 percent, while inflation is forecast at 5.7 percent in 1993 and the lira lies outside the exchange rate mechanism after an ignominious retreat last year.

La Fondiaria is partly owned by the Ferruzzi family and recently deceased Camillo de Benedetti, a cousin of financier Carlo de Benedetti. His death means his compa-

Domestic Investors See the Sunny Side



Sources: S&P MarketScope Europe, Bloomberg Business News

ny's stake could well be sold to the highest bidder. Another insurer reportedly up for sale is Toro, the Fiat group's insurance company.

Which brings us to Fiat, the embodiment of the troubled Italian economy. The company expects a 15 percent fall in the car market this year, the largest decline since the 1975 oil crisis.

Other analysts have started to turn more positive based on the new models, which are due to be introduced in the last quarter of 1993.

To make up for problems on the vehicle side, Fiat is said to be interested in selling companies it considers nonstrategic, such as retail unit La Rinascente or chemicals

unit SNIA. The stock rose almost 8 percent in a single day's trading this month on the back of rumors that it was to sell SNIA.

The fact of the matter is that everything in Italy is up for sale because of the privatization program and industrial restructuring by troubled companies.

Tire and cables group Pirelli is one of the few companies that has managed to accomplish its plans. The company has raised \$50 billion lire (\$5.2 million) in disposals, ranging from shoes to property, and its goal of 1 trillion lire by mid-1993 seems reasonable.

All in all, investing in the Italian stock market involves one of two scenarios. Either the government triumphs and the market rises, or the government fails, spelling the end of reform and privatization, and the market collapses. Take your pick.

Best Performing Mutual Funds

Leading mutual funds from Belgium, Britain, France, Germany, Ireland, Italy, Luxembourg, Offshore Territories, Switzerland and the United States. Value of \$100. Income reinvested excluding charges.

Over one month to Feb. 15, 1993

Table listing mutual funds and their performance over one month to Feb. 15, 1993. Funds include GT Sherzen and China, Thomson New Tiger China, Leighton Strategic Inv, Singapore Seadog Ltd, Mercury Gold & General, Fidelity GI China FII, Thomson New Tiger Thailand, Curran Alpha Health Care, Barclays ASI Thailand, United Serv Gold Shares, Daiwa: Original France Bond, CIBC-CEF Pacific Ventures, CIBC-CEF Emerging Pac Mkts, Fidelity Fds Thailand, Harman Inv Selected Asian, Ariston Gold, CIBC-CEF Thai-Philippines.

Over one year to Feb. 15, 1993

Table listing mutual funds and their performance over one year to Feb. 15, 1993. Funds include Quantum Fund, Mexican Investment Co, CGM Capital Development, Genesis Chile, Garimora Hong Kong, SP International SA, Schwiders Asia Hong Kong, Mercury ST M American Opps, Thomson Hong Kong Gateway, Fidelity Select-Stock, Fidelity Fund, Colonial Securities Hong Kong, Fidelity Select-Biotech, Financial Strat-Fin Ser, J Hancock Spt Equities, Founders Discovery Fund, Framlington Health.

Over three years to Feb. 15, 1993

Table listing mutual funds and their performance over three years to Feb. 15, 1993. Funds include Quantum Fund, Mexican Investment Co, CGM Capital Development, Genesis Chile, Garimora Hong Kong, SP International SA, Schwiders Asia Hong Kong, Mercury ST M American Opps, Thomson Hong Kong Gateway, Fidelity Select-Stock, Fidelity Fund, Colonial Securities Hong Kong, Fidelity Select-Biotech, Financial Strat-Fin Ser, J Hancock Spt Equities, Founders Discovery Fund, Framlington Health.

Source: Micropal

Collecting Before It's Too Late

International Herald Tribune

As you can't take any of it with you, why not take some of it now? That's the deal many terminally ill owners of life insurance policies have been cutting with insurance companies. They settle for a percentage of the payment their estate would get on their death, and enjoy the money now.

More than 2.7 million Americans have opted for the coverage, roughly double the number of a year ago, according to the American Council of Life Insurance. About 150 insurers, including most large U.S. companies, offer living benefits, often without an additional premium.

Regulators are watching these companies closely. Last month, California became the first state in the country to issue licensing procedures for viatical.

Some pay benefits only to the terminally ill. Others offer payouts to victims of strokes, heart attacks and other catastrophic illnesses.

BRIEFCASE

Hill Samuel's Offshore Unit Offers Regular Savings Plan

Hill Samuel Jersey, Ltd., the offshore fund and financial management arm of the eponymous U.K. merchant bank, has launched a regular savings plan aimed at international investors.

The plan offers a choice of 18 funds covering a range of stocks, fixed interest and currency markets. The minimum payment is £100 (\$145) per month. Subject to that minimum, monthly payments may be increased or decreased without penalty.

Switching between funds costs 1 percent, while other charges are similar to those levied on lump-sum investments.

Foreigners seeking Italian property are finding that the recession and the lira's devaluation last fall have made prices, if not cheap, at least more reasonable. Italian properties are more than 30 percent lower in dollar terms than they were a year ago.

That Expensive Tuscany Villa Has Become Slightly Less So

Foreigners seeking Italian property are finding that the recession and the lira's devaluation last fall have made prices, if not cheap, at least more reasonable. Italian properties are more than 30 percent lower in dollar terms than they were a year ago.

Fidelity's Money Funds Get Moody's Top Risk Rating

Fidelity, the U.S. mutual fund giant, has received a top risk rating for its money funds from Moody's, the risk assessment specialist.

received a top risk rating for its money funds from Moody's, the risk assessment specialist.

There is no minimum investment for the Fidelity money funds, and interest is paid gross to investors. There is also the possibility of switching money between different currency deposits for no charge.

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Semiconductor Stocks Emerge A Winner After PC Price War

By Conrad de Aenlle

THE rally that has carried most stock averages to record highs has been especially kind to shareholders of semiconductor companies. Some of the bigger ones, like Intel and Advanced Micro Devices, have doubled in price, or close to it, since their summer or fall lows.

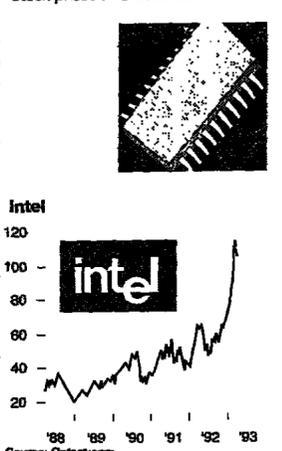
IBM, nevertheless, is the world's largest maker of semiconductor chips.

The analyst Stephen Leeb recommends Intel as one of "the blue chips... solid, well-managed companies that will continue growing well into the next century."

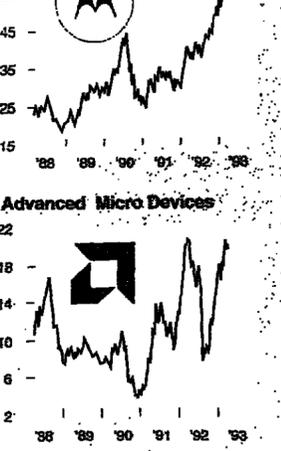
Indeed, with the PC industry clamoring for chips, profits have expanded at several manufacturers.

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Cashing In On Chips



National Semiconductor



Similar cooperative arrangements were announced last year linking IBM with the German manufacturer Siemens and Toshiba of Japan.

That does not seem likely — for now, at least. "The body language we continue to receive is that business is picking up," Mr. Freeman said.

Higher-than-expected fourth-quarter results were reported by Intel, AMD and Motorola, another sign in the field. The earnings surprises benefited their stocks.

That does not seem likely — for now, at least. "The body language we continue to receive is that business is picking up," Mr. Freeman said.

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The International Herald Tribune Fund Performance Focus Special was created to give our readers investment information on internationally marketed mutual funds with consistently strong performance.

Figure 11 shows a number of funds that have their performance regularly monitored by Micropal.

Several of the funds featured in Micropal's Offshore Awards for 1992, funds can win an award either by showing excellent performance or by being part of a group where the range of funds offered by that group has shown outstanding performance.

If you are interested in knowing more about any of the mutual fund groups advertising on this page, simply circle the appropriate number on the coupon (on the facing page) and return it to us by letter or fax and information will be mailed to you by the companies involved.

The IHT would like to remind its readers that past performance is no guarantee of future results.

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For further information please contact:
Julian Cretin, GAM Administration Ltd
GAM House, 11 Airlot Street, Douglas, Isle of Man
Fax: (44) 624 623556. Tel: (44) 624 628037.

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Providence Capital International is a unit-linked life insurance company specializing in the provision of investment products tailored exclusively for the international investor; these products offer access to the Special Market Fund. If you would like any further information on the Special Market Fund, Providence Capital International or its extensive range of international investment funds and products, contact Nick Brown at our Guernsey Head Office: (44 481) 726 726.

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Guinness Flight adopts a distinctive approach to the management of globally invested bond funds by managing the currency exposure of the funds separately. This enables the manager to protect and even enhance the value of each portfolio by taking advantage of currency movements.

For further information contact: Investor Services in Guernsey (44) 481 712176 or London (44) 71 5222111.

ROTHSCHILD ASSET MANAGEMENT

The Old Court Major U.K. Companies Fund aims to be a blue-chip portfolio. It includes 85 to 90 percent FT-SE stock but it isn't designed to replicate the index, says Michael Giddings, the manager of this £20.7 million fund. We pick and choose stocks and sectors to achieve above average performance; as a house we assess the economy, then find the sector and then find the individual stocks.

Giddings feels his fund's performance reflects its consistent philosophy over the long term. As the investment approach is disciplined and consistent, it is found that the sum of the performance is a series of relatively small changes. Individual big bets are not taken. The cumulative value of the Rothschild approach shows in the long-term performance.

The fund's portfolio is very concentrated. With only 40 stocks and a very low turnover, the fund's objective is to outperform the FT-SE of All-Share, whichever is the stronger. If this objective is met, it is expected to achieve top quartile performance in the fund's universe.

Warburg Asset Management

Warburg Asset Management, investment advisor to the highly successful Mercury Selected Trust funds, is the international division of Mercury Asset Management plc (MAM plc). MAM plc and its predecessor companies have been managing investments since 1946. Funds under management total around US\$70 billion.

Mercury Selected Trust (SICAV) is MAM plc's principal offshore fund. It has 18 different funds with a total NAV of US\$445 million. Shares in these funds are owned by both private investors and institutions. Domiciled in Luxembourg, Mercury Selected Trust qualifies as a UCITS. The North American Opportunities Fund is a sub-fund of Mercury Selected Trust. It invests in special situations - including companies likely to be the subject of takeover attention - and takes positions in smaller and emerging growth companies with new products and concepts. As a result, it is likely to have a somewhat higher risk and reward profile and a more concentrated portfolio than conventional North American equity funds.

Issued by S.G. Warburg Asset Management Luxembourg S.A. (the administrator of Mercury Selected Trust), a subsidiary of MAM plc. Enquiries to: Fax (352) 4212150. Tel. (352) 42121201.

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The IIF is managed by the EBC Group. This well-established Swiss-based investment company offers a full range of high quality asset management, trust and corporate services via offices in Zurich, Jersey and London.

For more information on the IIF, including the new Deutschemark tranche or any of the other services provided by EBC, please contact:
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*Source: Micropal offer to bid, net income reinvested 1/2/88 - 8/2/93.

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Seahawk International, Inc. is an offshore clone of Hawkeye Partners, L.P., a highly successful United States limited partnership whose General Partner is T. Garic Moran. Hawkeye was formed July 1, 1991 and has enjoyed outstanding performance, returning +70% in 1991 and +63% in 1992. Seahawk, formed on February 1, 1992, returned +46% to investors after fees. Minimum investment amount is \$500,000.

The primary objective of Seahawk is to achieve substantial capital appreciation through an approach of buying and selling U.S. common equities (and their derivatives). The Fund uses trading techniques that include leverage, short sales, options and marketing timing, and trades aggressively. Mr. Moran manages total assets in both funds of over \$70 million.

Seahawk's monthly results are reported to Micropal London, the major international fund database. Out of 158 funds in the North American equities category, Seahawk ranked number one for its performance for the period July 1 through December 31, 1992.

Further information from: Pierson, Hedging & Pierson (Cayman) Ltd. Telephone: (809) 949 7942. Fax: (809) 949 8340.

ARRAL ASSOCIATES LIMITED - ARRAL ASIAN FUND

Formed in 1986 by Michael Sofaer, Arral Associates currently manage US\$ 130M principally in two hedge funds, the Arral International Hedge Fund (\$50M) and the Arral Asian Fund (US\$ 80M). The hedging of the Arral Asian Fund, by shorting stocks and derivatives in the Asian stock markets (ex-Japan), has proven to be effective in achieving superior long-term performance as well as very low volatility. Since inception in March 1989, the Fund has been only 70% net long on average and, despite substantial volatility during the period, has experienced few down quarters. The Fund has done particularly well in difficult market conditions when hedging strategies have effectively preserved capital. Moreover, the Fund's style of focusing on liquidity driven economies and markets throughout the region has produced unbalanced portfolios which have avoided the worst of the regional markets over the period.

SPORTS BASEBALL

A Fighter on Home Ground Ivanisevic, His Fans, His Family, and the War

By Ian Thomsen
International Herald Tribune
SPLIT, Croatia — They tore off everything? "Everything but underpants," Goran Ivanisevic says. "His socks and shoes?" "No socks. It was summertime. They left underpants and shoes." This happened in August, after he had won Croatia's first Olympic medals, a pair of tennis bronzes. He was supposed to have flown directly to Monte Carlo, to prepare for the U.S. Open. He tells the story in his guttural monotone, his eyes gathering in the corners. He decided to fly home to Split, he says, to stay for just one night.

"One guy, he said: 'Nice shirt.' I said, 'Here.'" Off came Ivanisevic's T-shirt, he says. "Another guy said, 'That belt is pretty good.'" Like a snake, his belt slithered into the swelling mob. They swept him up and tossed him high, over and over — the hands of his country, embracing him, tugging at him, shredding his jeans. "I said: 'Here, take everything. Just leave me underpants,'" he says.

He was raised to be celebrated at airports. His parents went into hock so that it might happen. But this? So soon? They couldn't have guessed how six centuries of family history would galvanize him. For sure, they couldn't predict the war. In his country, Ivanisevic is greater than he ever could have imagined, and he hasn't even won anything major yet.

"It was 3 o'clock in the morning," he says. "When I came to the airport, there was like 500 people. I never had that before. It was a nice feeling." He is smiling, uncharacteristically. "Really great."

A millionaire at 21, a finalist last summer at Wimbledon, the No. 5 player in the world, Ivanisevic keeps an expensive home in Monte Carlo, with a Mercedes convertible in the garage. He could have stayed there while recuperating from the stress fracture in his right foot that forced his withdrawal last month

from the Australian Open. But he returned home, spending the last three weeks with his girlfriend, Daniela Mihalic, in his one-room apartment here, 50 kilometers (30 miles) from the war zone.

On Monday, Ivanisevic departed Split for Monaco, but only because his coach, Bob Brett, lives there. His foot healed, he has resumed training with the goal of playing on March 1 at Indian Wells, California.

Pointing across the sharp hill that protects Split from the northeast, he says: "Sometimes you hear fighting over there. Sometimes also somebody in Split get bored and

shoot his gun in air. If you hear it, don't worry. He just bored."

Ivanisevic's family presence is older than some buildings in this beautiful coastal city of 300,000. For 600 years, his father's side has lived here, working in the vineyards. In 1939, Ivanisevic's grandfather moved his family into a large house outside the city, to be closer to the vineyards. It so happened, just a short walk down the hill, on a cliff overlooking the Adriatic Sea, were two tennis courts.

"So, I played tennis here," says his father, Srđjan Ivanisevic, sitting on the sunny patio of what has become Tennis Club Split. "Before Goran came to the club, my father made him a small basket, and at this time that Goran's older sister, who is pregnant, was diagnosed with Hodgkin's Disease."

Today her cancer is in remission. Her 4-year-old son healthy. Goran is a national treasure, among the best players in the world; and

Goran played basketball and soccer wonderfully. Five times he won the city's scholastic championship in cross-country, without training. But the club was nearby and his father, a good player, enrolled him in tennis school. Not until Goran was almost 12 was he able to beat his father in tennis.

"He has something inside which leads him to win," Srđjan Ivanisevic says. "At first I couldn't understand it because I didn't have this thing inside of me. So I began to study it. A person must have talent and he must work hard, but a champion must also have championship abilities, a spirit. No matter who was on the other side, he thought he should win."

Srđjan Ivanisevic was an engineering professor at the local university. His wife, Gorana, was a chemical engineer. (Their daughter they named Srđjana, their son Goran.) Goran's spirit demanded private coaching. It devoured the family's savings. As he grew, his parents began to sell off their belongings. Eventually, they had no choice. If Goran were to be sold, the house would have to go. His parents moved into an apartment in a crowded high-rise.

It was a terrific gamble. What if their son had torn his knee? Or if he had fallen out of love with tennis? "He broke his arm," Srđjan says. "I didn't think so much about it. If I reasonably had thought about it, I never would have done it."

At 16, Goran was signed to a contract by International Management Group. The agency loaned Srđjan \$170,000 for Goran's development, interest-free, but money that nonetheless would have to be repaid someday, somehow. It was at this time that Goran's older sister, who is pregnant, was diagnosed with Hodgkin's Disease.

Today her cancer is in remission. Her 4-year-old son healthy. Goran is a national treasure, among the best players in the world; and



Goran Ivanisevic training in the streets of Split, the Croatian city on the Adriatic where his father's family has lived for six centuries.

Srđjan Ivanisevic has resigned from the university to help manage his son's career.

"They gave me everything they had, and nobody knew I'm going to be so good," Goran Ivanisevic says. In 1991, he stepped into and out of the Top 10. The war was under way. For 11 months he could not return home. The phone lines to Croatia were dead. He moved among the tournaments, struggling with his game, unable to contact his family.

But they found their ways around. His sister's family left Split for a time, and his father joined him in Milan, where Srđjan suffered a ruptured Achilles tendon while playing tennis. He was recuperating in his son's Monte Carlo apartment when the first Serbian shells struck Split early Nov. 6, 1991. After several hours, Croatian ships and anti-aircraft guns drove away the attack. Though there has been no further fighting in Split, its residents spent many nights in bomb shelters. Finally, his mother

escaped aboard a refugee ship and joined Srđjan in Monaco.

His family has since returned to Split. Many of Ivanisevic's friends have entered the war. "They tell me a lot of bad things, things that are hard to tell — really disgusting things," he says. "The guys I know fighting, they're all alive. But it's like a lottery, you know."

Would he be fighting, if not for tennis? "Probably I would go to fight," he says. "You never know what you would do. They call you to fight, you know."

His struggle to win far-away tennis matches might have felt tedious compared with the war at home. Then he discovered that, when he won, he was asked questions about the war. In answering them, he felt better — attacking the Serbs, defending Croatia. He was doing something. "My racket is my gun," he said, over and over.

His racket ried 957 sets last year, including 206 at Wimbledon. He was heard all over the world.

"In the beginning it was tough for me to play," Ivanisevic says. "I come to the court and I'm thinking a lot about the problems at home. I change a lot because of this, and because of Bob [Brett, his coach]. It makes me tougher. I try to fight to the last point. I see people fighting here. I want to fight like they're fighting."

In Paris, his warmup suit read, "Stop Aggression Against Croatia." Before his country was recognized in January 1992 by the European Community, he convinced the ATP Tour to list him not as a Yugoslav, but as a Croat. He returned home each time to find more fans, more kids playing tennis.

In January 1992, the tournament at Adelaide, Australia, received death threats against Ivanisevic. Policemen escorted him into the stadium and had a car waiting for him at a special exit. To that point he had won only two titles. He might have walked into the back-ground. Instead, he won the tournament.

"I wasn't worried," he says. "The two policemen, I go to the practicing range with them. They show me how to shoot, just for fun. They let me shoot machine gun. It was tough to control, but oh, nice feeling. All the bullets coming out. I was thinking it nice to have some Serbs standing in front of me."

But for the UN troops in their camouflage uniforms, there is little sign of danger in Split. Yet the dam at Perucica, some 60 kilometers to the north, has been threatening to flood its southern valley for several weeks. FIBA, the world basketball federation, has transferred European games out of the city. Ivanisevic comes home along the same circuitous routes, on the same crowded airplanes braved by everyone else.

At times he pleads for intervention from the United States: "Somebody got to do something, or a lot of people going to die." Then he turns around: "Maybe it best if we fight face to face with Serbs. We don't want to give them one square meter of our land."

Baseball Awaits A Budding Super Team

By Mark Maske
Washington Post Service

As baseball emerges from a turbulent offseason, a few things seem clear about 1993:

There is one potential super team, the Atlanta Braves, the defending World Series champions, the Toronto Blue Jays, are capable of repeating. There are a couple of wide-open divisional outlooks in the NL East and AL West, and there are a pair of expansion franchises, the Florida Marlins and Colorado Rockies.

Fishers and catchers are reporting to training camps in Florida and Arizona. For the first time in months, the focus will shift from the fringe Schott controversy and the breathing labor war and the workings of the Executive Council in the wake of Fay Vincent's forced resignation as commissioner last fall.

Now the focus shifts to Fort Charlotte, Florida, and the beginning of Nolan Ryan's 27th — and final — year around in the big leagues, for the Texas Rangers, to Scottsdale, Arizona, where \$43.75 million man Barry Bonds won't be wearing Willie Mays' number; he needs to be a Mays play-alike to justify his per-game income of just over \$45,000; and to Cocoa, Florida, and Tucson, where the Marlins and Rockies will prepare for their Opening Day unveilings.

But the center of attention for baseball this spring likely will be West Palm Beach, Florida. There, the Braves will display what's being hailed as one of the best starting pitching corps in history.

A rotation of Tom Glavine, John Smoltz, Steve Avery, Charlie Leibrandt and Pete Smith would have been enough to make the Braves the favorites to pull off an NL West threepeat — and probably to finally capture a World Series crown following back-to-back failures in 1991 and 1992.

But then Atlanta signed NL Cy Young Award winner Greg Maddux as a free agent in December, and suddenly the outcome of this season began to look like a forgone conclusion.

The Blue Jays have some regrouping to do as they gather in Duncansville, Florida. Gone from their championship team are pitchers David Cone, Dave Stieb, Tom Henke and Jimmy Key, outfielder Kelly Gruber, shortstop Manuel Lee and World Series hero Dave Winfield.

Still, Toronto did its best to come upstate, bringing in veteran Pat Medall to offset the loss of Winfield, and Dave Stewart to take Cone's place in the rotation.

Springtime arrives with jumble — and no clear favorites — in the AL West and NL East. The two defending champions, the Oakland Athletics and Pittsburgh Pirates have been basically disassembled

SCOREBOARD

BASEBALL

NBA Standings

EASTERN CONFERENCE				
Atlantic Division				
W	L	Pct	GB	
New York	34	16	.680	
New Jersey	28	22	.560	6 1/2
Boston	24	26	.480	10
Orlando	23	27	.460	11
Miami	18	32	.360	16 1/2
Philadelphia	17	33	.340	17 1/2
Washington	15	35	.300	19 1/2
Central Division				
Chicago	35	17	.673	
Cleveland	24	28	.460	13 1/2
Charlotte	23	29	.440	14 1/2
Atlanta	24	27	.470	13 1/2
Indiana	18	33	.353	19 1/2
Detroit	21	30	.412	16 1/2
Milwaukee	20	31	.392	17 1/2
WESTERN CONFERENCE				
Midwest Division				
San Antonio	24	15	.614	
Utah	23	16	.590	
Houston	20	20	.500	
Denver	20	20	.500	
Minnesota	12	28	.300	18
Dallas	4	45	.089	26 1/2
Pacific Division				
Phoenix	30	10	.750	
Seattle	23	17	.575	
Portland	21	19	.524	
LA Lakers	16	24	.400	6 1/2

THURSDAY RESULTS

Game	Score
LA Clippers @ Golden State	103-97
Golden State @ Sacramento	117-103
Washington @ Boston	103-97
Boston @ Philadelphia	103-97
Philadelphia @ Washington	103-97
Golden State @ Sacramento	117-103
Washington @ Boston	103-97
Boston @ Philadelphia	103-97
Philadelphia @ Washington	103-97
Golden State @ Sacramento	117-103
Washington @ Boston	103-97
Boston @ Philadelphia	103-97
Philadelphia @ Washington	103-97

SOFTBALL

Game	Score
LA Clippers @ Golden State	103-97
Golden State @ Sacramento	117-103
Washington @ Boston	103-97
Boston @ Philadelphia	103-97
Philadelphia @ Washington	103-97
Golden State @ Sacramento	117-103
Washington @ Boston	103-97
Boston @ Philadelphia	103-97
Philadelphia @ Washington	103-97
Golden State @ Sacramento	117-103
Washington @ Boston	103-97
Boston @ Philadelphia	103-97
Philadelphia @ Washington	103-97

WRESTLING

Game	Score
LA Clippers @ Golden State	103-97
Golden State @ Sacramento	117-103
Washington @ Boston	103-97
Boston @ Philadelphia	103-97
Philadelphia @ Washington	103-97
Golden State @ Sacramento	117-103
Washington @ Boston	103-97
Boston @ Philadelphia	103-97
Philadelphia @ Washington	103-97
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Washington @ Boston	103-97
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Philadelphia @ Washington	103-97

WRESTLING

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Boston @ Philadelphia	103-97
Philadelphia @ Washington	103-97
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Washington @ Boston	103-97
Boston @ Philadelphia	103-97
Philadelphia @ Washington	103-97
Golden State @ Sacramento	117-103
Washington @ Boston	103-97
Boston @ Philadelphia	103-97
Philadelphia @ Washington	103-97

SKIING

Game	Score
LA Clippers @ Golden State	103-97
Golden State @ Sacramento	117-103
Washington @ Boston	103-97
Boston @ Philadelphia	103-97
Philadelphia @ Washington	103-97
Golden State @ Sacramento	117-103
Washington @ Boston	103-97
Boston @ Philadelphia	103-97
Philadelphia @ Washington	103-97
Golden State @ Sacramento	117-103
Washington @ Boston	103-97
Boston @ Philadelphia	103-97
Philadelphia @ Washington	103-97

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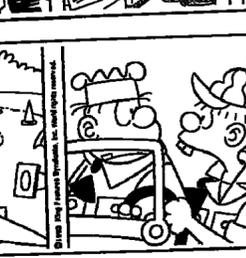
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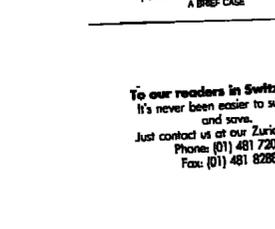
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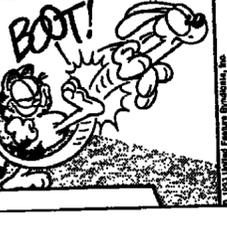
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SPORTS BASKETBALL

They're Getting Cavalier About Beating Duke

The Associated Press
Remember how Duke sent pangs of fear through opponents? No longer.

The other teams in the Atlantic Coast Conference have lost their awe of the two-time defending national champions. Virginia, apparently, has overcome the inferior feeling most emphatically, as it edged Thursday night in a 58-55 victory over the seventh-ranked Blue Devils in Charlottesville, Virginia. No. 23 Virginia also beat Duke on Duke's home court at Durham, North Carolina, earlier this season.

The Cavaliers, 16-5 overall and 8-4 in the ACC, took sole possession of fourth place and pushed Duke, 19-5, 7-5, into the league's second division.

"Sure, it's better when they're the two-time defending national champions," said Virginia's Cory Alexander, who had 20 points and shut down Duke's star point guard Bobby Hurley. "But it doesn't win us any championships, and nobody's going to come in here and lay down for us because we beat Duke."

COLLEGE BASKETBALL

Especially when the Cavaliers beat an undermanned Duke. The Blue Devils were without leading scorer Grant Hill, who has a sprained toe.

"I hope that Grant gets back so that in time we can develop continuity," coach Mike Krzyzewski said after his team lost back-to-back games for the first time since 1990. Wake Forest beat Duke in its previous game. "I think it's evident that we're not as deep a team that people might think."

Hurley scored in single digits for only the second time this season, finishing with eight points and six turnovers.

Thomas Hill had 14 points, but none in the last 16 minutes, and Marty Clark, who started in place of Grant Hill, took four shots and missed them all.

Virginia was no world-beater, however, which kept matters close. Hill actually missed a 3-pointer at the buzzer that would have tied it.

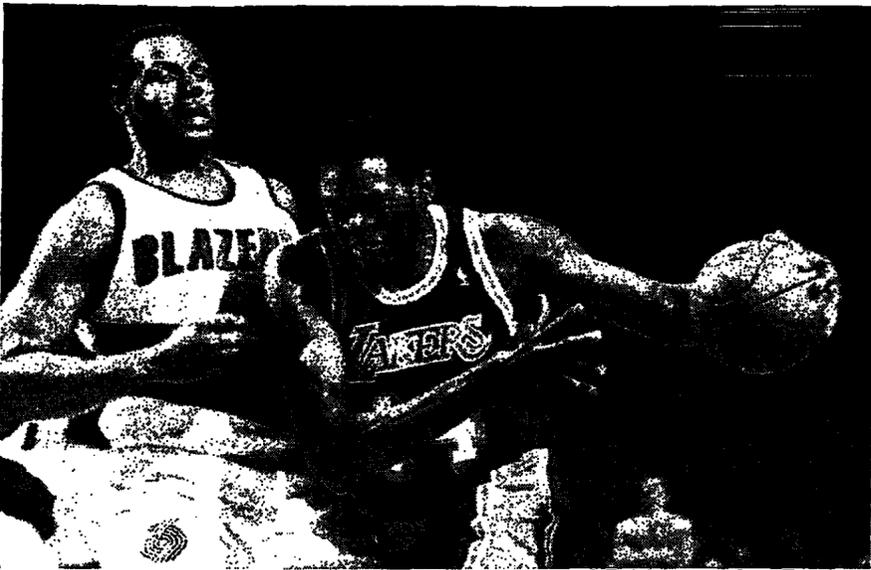
"I don't think I've ever felt as good about an offensive perfor-

mance as ugly as that," said coach Jeff Jones, whose Cavaliers shot 36.3 percent.

Arizona 116, Arizona St. 80: In Tucson, Arizona, the No. 4 Wildcats applied a pressure defense to stifle the 3-point gunners from Arizona State and extend the nation's longest winning streak to 16.

Utah 87, Air Force 61: In Salt Lake City, Utah, the No. 12 Utes easily grounded the Falcons behind star Josh Grant, who had 15 points and 15 rebounds. Utah, 20-3 and 13-1 in the Western Athletic Conference, is 13-0 at home.

Tulane 75, North Carolina-Charlotte 70: In New Orleans, No. 18 Tulane, 19-4 and 8-1 in the Metro Conference, held off Charlotte at the free throw line in the second half after going almost eight minutes without a field goal. Pointer Williams, who scored six points on four shots during that stretch, made his only 3-point basket to stop the cold streak.



Sam Perkins of the Lakers trying, with limited success, to get by Kevin Duckworth of the Blazers during Portland's 105-103 victory.

Celtics Can't Find the Hoop In a Record 29-Point Half

The Associated Press
The proud Boston Celtics, winners of a record 16 National Basketball Association titles, are anything but these days.

"It's an embarrassment," center Robert Parish said after Boston established a franchise low by scoring just 29 points in the first half of a 119-84 loss Thursday night to the Houston Rockets in Houston.

"It doesn't get much worse than that," Parish said. "If it does, I don't want to see it."

The Celtics trailed 45-29 at the half, scoring just eight in the second period. That erased the record of 30 points they scored in the first half against Milwaukee on Nov. 13, 1990.

Houston, which shot a franchise-best 68.5 percent of two nights earlier in a 149-111 rout of Philadelphia, earned 58 percent of its shots against Boston. The Celtics shot 38 percent.

Carl Herrera scored a career-high 18 points to lead seven Houston players in double figures. Hakeem Olajuwon had 14 points and got 15 rebounds.

"It was a good way to end the first half of the season," said Olajuwon, who heads for Salt Lake City to play in Sunday's All-Star game.

"We played well, especially on defense. The key is keeping it this way, feeling good about ourselves," he said.

That won't be easy for the Celtics, and coach Chris Ford has no miracle solution.

"There's nothing I can do right now with three days off," he said. "But I made my little speech after the game."

"This is a business and they are being paid a lot of money to perform well, and we didn't do that tonight."

Some 131, Hawks 119: In Phoenix, Arizona, the Suns came within a victory of tying a franchise record.

the NBA's all-time leading 3-point shooter. "I like my teammates to feel confident I can hit the big shot."

The Spurs have won nine of their last 10 games and 24 of 28 since John Lucas took over as coach.

David Robinson added 19 points and 13 rebounds for the Spurs. Hersey Hawkins' 33 points led Philadelphia, which lost for the eighth time in nine games.

NBA HIGHLIGHTS

By winning their 18th consecutive home game.

Charles Barkley got his 14th career triple-double with 25 points, 16 rebounds and 12 assists.

Although the Suns' 38-10 record is the best in the league, Barkley isn't ready to rest on any laurels.

"We haven't accomplished anything at this moment," he said. "I don't think the first half of the season was a fluke, but we have to come out ready to play" after the All-Star break. "Teams will be gunning for us."

The Suns will try to win 19 in a row at home for the third time in their existence when they play host to Utah next Friday night after a two-game road trip.

Spurs 103, 76ers 98: In San Antonio, the Spurs won their 15th in a row at home.

Dale Ellis made a dub recording four 3-point shots in the fourth quarter on his way to 24 points for the surging Spurs.

"I like the ball down the stretch when we need a basket," said Ellis,

Jazz 105, Bucks 94: In Milwaukee, Utah showed its muscle on the road, winning for the fourth time in its last five games as a visitor.

Karl Malone had 26 points and John Stockton 20 points and 11 assists as the Jazz used two second-half spurts to beat slumping Milwaukee.

Blue Edwards, who came to the Bucks with Eric Murdock in a trade last summer that sent Jay Humphries and Larry Krystkowiak to the Jazz, led Milwaukee with 10 points.

Trail Blazers 105, Lakers 103: In Portland, Terry Porter's driving layup with 27 seconds to go provided the winning points as Portland came from eight behind in the final 3:23.

James Worthy scored 26 and passed the 15,000-point mark for his career, but the Lakers couldn't hold off a late rally led by Porter and Clyde Drexler.

The latter scored 20 points, eight in the decisive rally, including two free throws that tied the game at 103-103 with 1:11 remaining.

All-Star Rosters

NBA All-Star rosters statistics, by AP, through Feb. 18:

Player	EASTERN CONFERENCE					Team		
	P	Ht	Wt	Yrs	Pts			
Larry Johnson	F	6-7	250	1	22.4	10.4	4.1	Charlotte
Michael Jordan	G	6-6	198	9	32.4	17.2	5.7	Chicago
Shaquille O'Neal	C	7-1	300	1	25.5	13.9	1.7	Orlando
Scottie Pippen	F	6-7	210	4	18.8	7.9	6.6	Chicago
Isiah Thomas	G	6-1	185	12	16.6	2.9	8.9	Detroit
Brad Daugherty	C	7-0	263	5	20.6	9.6	4.2	Cleveland
Joe Dumars	G	6-3	195	4	23.3	1.8	4.2	Detroit
Patrick Ewing	C	7-0	240	7	23.0	12.4	1.9	New York
Larry Nance	F	6-10	235	3	17.6	9.0	3.0	Cleveland
Mark Price	G	6-0	178	3	19.3	2.7	7.7	Cleveland
Detlef Schrempf	F	6-10	230	1	19.7	9.6	5.9	Indiana
Dominique Wilkins	F	6-8	200	7	28.7	7.1	3.2	Atlanta
Sean Elliott	F	6-8	210	1	18.8	4.8	4.3	San Antonio
Tim Hardaway	G	6-0	195	3	21.5	10.1	11.1	Golden State
Shawn Kemp	F	6-10	245	1	18.5	11.0	1.8	Seattle
Dan Majumder	G	6-6	220	2	16.9	4.9	3.6	Phoenix
Carmelo Anthony	F	6-10	234	1	22.5	7.0	3.0	LA Clippers
Carmelo Anthony	F	6-7	215	5	25.9	5.0	3.6	Golden State
Chris Mullin	C	7-0	255	8	25.3	12.9	3.1	Houston
Hakeem Olajuwon	C	6-3	195	2	17.1	3.9	4.9	Portland
Mitch Richmond	G	6-5	215	1	21.9	3.5	4.8	Sacramento
Charles Barkley	F	6-6	252	7	25.6	13.0	4.6	Phoenix
Clyde Drexler	G	6-7	222	7	19.8	6.4	5.4	Portland
Karl Malone	F	6-9	256	6	28.3	12.0	3.7	Utah
David Robinson	C	7-1	235	4	23.5	12.2	3.6	San Antonio
John Stockton	G	6-1	175	5	14.8	3.1	12.6	Utah
Charles Barkley	F	6-6	252	7	25.6	13.0	4.6	Phoenix
Clyde Drexler	G	6-7	222	7	19.8	6.4	5.4	Portland
Karl Malone	F	6-9	256	6	28.3	12.0	3.7	Utah
David Robinson	C	7-1	235	4	23.5	12.2	3.6	San Antonio
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Mitch Richmond	G	6-5	215	1	21.9	3.5	4.8	Sacramento

An All-Star Team With an Oddly Dreamy Look

The Associated Press
SALT LAKE CITY, Utah — While it's not exactly a Dream Team reunion, Michael Jordan and Scottie Pippen might rub their eyes and remember steamy Monte Carlo when they take the court in wintery Utah on Sunday.

The entire starting lineup for the Western Conference in the NBA All-Star game consists of players from the U.S. Olympic team. Stars Jordan and Pippen, plus reserve center Patrick Ewing, are the only Eastern Conference All-Stars who played for the United States in the Olympics.

U.S. Olympians absent from the All-Star game are Larry Bird and Magic Johnson, who retired; rookie Christian Laettner, and Chris Mullin. Mullin was selected as a West reserve, but won't play because of injury.

Because Jordan and Pippen are averaging a combined 78 minutes for Chicago, neither is looking forward to a repeat of the intensity of those epic pre-Olympic practices in Monte Carlo seven months ago.

"It's an opportunity, but honestly, I'd like to get some rest," Jordan said. But with first-time All-Star Shaquille O'Neal and Larry Johnson in the East starting lineup, Jordan added, "There might be some nervousness. Scottie and I are established, so some of the scoring responsibility will fall to us."

"I don't want to play a whole lot," Pippen said. "But with all the young players on our side, Michael and I may have to do a lot of the scoring."

Eleven-time All-Star Isiah Thomas also will start for the East, while the West has Olympians David Robinson at center, Charles Barkley and Karl Malone at forward and guards John Stockton and Clyde Drexler.

"There's no pressure to win or lose," Robinson said. "I look at this as a vacation because of the players I'll be playing with."

After 17 months of basketball

with little letup, the Dream Teamers might be excused for sounding a little tired. And while deserving of All-Star status, the weariness is showing up in the statistics.

Counting Mullin, eight of the nine Olympic All-Stars have lower shooting percentages than last season. Six of those—Jordan, Pippen, Ewing, Robinson, Barkley and Drexler—are down more than 0.25. Stockton and Mullin have negligible drops.

In 1988, the last year collegians and NBA draftees made up the Olympic team, many of them sustained season-ending injuries. Many critics of bringing the NBA into the Olympics suggested this would happen again, robbing the NBA of its biggest stars.

Malone said he was aware of this criticism and has made a point of countering it.

"I feel I had to get myself up more than I ever did before," he said. "I've said to myself that I'd never use fatigue as an excuse."

Mullin played several games despite a sprained thumb on his non-shooting hand, then reinjured it on Feb. 4. Drexler missed nine games after trying for several weeks to play on sore knees, and Ewing missed some time with a hyperextended right knee. Otherwise, the Olympians have been healthy.

■ Ruling in Johnson Suit
A judge threw out part of a lawsuit accusing Magic Johnson of infecting a woman with the AIDS virus, ruling Johnson wasn't obliged to tell her of his previous sexual experiences. The Associated Press reported from Kalamazoo, Michigan.

The \$2 million lawsuit filed in October claims Johnson either knew he was infected or should have told the unidentified woman that he ran a high risk of having the virus when they had sex in 1990.

Olympic Muscle Beach?

RIO DE JANEIRO — Skippy "sunkinis" and mirror sunglasses may soon be part of the Olympic Games if the unlikely sport of beach volleyball is allowed in.

Juan Antonio Samaranch, head of the International Olympic Committee, has joined the lobby in favor of beach volleyball, a sport where critics say a good tan is as vital as ability.

Samaranch and a 13-man committee spent last weekend on Copacabana beach watching the Brazilian leg of the world beach volleyball championship. Samaranch said he would do all he could to persuade the IOC to accept the sport, in

which teams have two players instead of the conventional six. "It deserves to be in the Olympic Games, if not in Atlanta then in the year 2000," he said.

The sport is played principally by bronzed fitness fanatics from California and Brazil. The women wear sunkinis, or modified bikinis, and most players cultivate their own style.

At the tournament here, one French male pair caught the eye with their collection of flowery caps.

The Brazilian pair Monica and Adriana launched the identical twins look, wearing matching uniforms and using matching hairstyles in every game.

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DAVE BARRY

A Few Corrections

MIAMI — As the more than 34 billion regular readers of this column are well aware, I pride myself on my accuracy. I do not report idle speculation or gossip. Let's say I happen to hear a rumor that Vice President Gore likes to relax by putting live spotted owls through a Salad Shooter. I am not going to just haul off and write a statement like that in the newspaper. I am going to follow the procedure used by top journalism professionals, which is to write: "Vice President Gore REPORTEDLY likes to put live spotted owls through a Salad Shooter." That way you, the reader, will know "just the facts" and can draw your own conclusion about this issue.

The point is that I have high journalism standards, and that is why today I am so upset that I am tempted to commit suicide by drinking vending machine coffee. Because it turns out that some of my recent columns contained FACTUAL ERRORS. Yes, these errors were spotted by vigilant readers who took time out to write, and so today I want to "set the record straight" on certain matters.

1. MONTANA IS NOT NORTH OF CANADA.

Actually, I never said that Montana is DEFINITELY north of Canada. What I said, in a column about a trip to Montana, is that it is "possibly" north of Canada. This resulted in a stern letter from reader Lena Anderson, who states: "You must be one of the uneducated young that never cracked a geography." She sent me TWO maps of the United States, and I am embarrassed to say that they clearly show that Montana is not north of Canada at all. It is north of ICELAND. Sorry!

2. MILITARY FOOD TASTES GOOD.

You may recall the column I wrote after my wife and son and dogs and I conducted a taste test involving the Meal Ready to Eat (MRE), a U.S. Army tactical food concept. Our conclusion was that the MRE was the ideal food for certain military situations, mostly involving captured enemy spies ("Perhaps you would like some of this BEEF STEW?" "NO! I'LL TALK!")

Apparently this column aroused the dander of Captain Bryan Dion, who is in charge of army recruiting

in southern Oregon. Captain Dion contacted his local newspaper, the Eugene Register Guard, which conducted a taste test of its own, with a six-person Taste Panel. The panelists consumed a variety of MREs; then, using a 10-point rating scale, they all died.

No, seriously, the panel gave the MREs a rating of 8.1 on the taste scale. This is clearly a scientific result, because it contains a decimal point. So I am forced to conclude that I have been mistaken about MREs: They taste wonderful, and if the army happens to have a few extra tons of these culinary treats stacked up in warehouses, it should deliver them, perhaps via large air force bombers, to Oregon, which is just north of Montana.

3. THE LEAGUE OF WOMEN VOTERS DOES NOT ENDORSE BULL SCROTUMS.

My annual Holiday Gift Guide for 1992 included, among other gift suggestions, a genuine bull scrotum, which looks sort of like a hairy handbag and is sold by Goode Company Barbeque in Houston, Texas (a nation located near Tulsa, Oklahoma). The Gift Guide included the following statement: "Don't be fooled by cheap imitations. This is the only bull scrotum endorsed by the League of Women Voters and the Reverend Pat Robertson."

This is inaccurate. I have a letter from reader Howard J. Smith, who writes: "Both my wife and I are proud members of the LWV and resent your using its name. Bluntly, I find your remarks to be denigrating, uncalled for and insulting. Further, by tacitly associating the LWV with Pat Robertson, you have added guilt-by-association to your offenses."

So, for the record: The League of Women voters does NOT endorse bull scrotums or engage in any other activity that would detract from its mission, which is the worldwide distribution of Amway products.

In conclusion, let me express my gratitude to the readers who pointed these errors out, and I invite any other reader who finds an error in my columns to please contact me: David Broder, c/o The New York Times, 12345 12345th St., Washington, D.C. 12345. Thank you, and your fly is down.

Knight-Ridder Newspapers

A Mixed Salad With the First Folk Singer

By Jon Pareles
New York Times Service

NEW YORK — Judy Collins advanced on her visitor, long, gleaming knife in hand. She was wearing a tawny velvet dress and, over it, an apron. "Do you like garlic?" she asked. "Wonderful!" She began to chop with a double-time wrist action that bespoke long experience at the cutting board.

"Garlic is a very good thing to have under all conditions," she said, moving on to onions. "I always imagined that garlic doesn't smell on me. I like to keep to that illusion."

Collins, the unofficial First Folk Singer, was whipping up a little lunch in the narrow kitchen of her apartment in Manhattan, a comfortable home with river views and paintings that fill nearly every bit of wall space. Collins had grilled a chicken and baked potatoes. She was tossing a salad of multicolored greens with a basil-oil dressing; the potatoes would get a warm topping of onions and shiitake mushrooms. Garlic was in the salad dressing, was rubbed on the salad bowl and was mixed with the onions. "I've discovered," she said as the shiitakes sizzled, "that all you need to make life really pleasant, at some moments anyway, is some onions, some mushrooms, some oil, a little garlic and a short memory."

But for the moment, Collins, 53, was enjoying the benefits of long memories. In the 1992 presidential primary campaign, Bill Clinton let it be known that Collins ranked high among his favorite singers, he told People magazine that the album he would save if his house were burning down would be Collins' "Colors of the Day," a compilation released in 1972. And he let it be known that Chelsea Clinton was named for "Chelsea Morning," a Joni Mitchell song that Collins recorded in 1969.

It's not that I ever went away," Collins said, pouring Perrier and sitting down to eat. She reminded her guest that she had toured and recorded throughout the 1970s and 1980s; that her autobiography, "Trust Your Heart," was published by Houghton Mifflin in 1987, concurrent with an album of the same name. "But this is a kind of global memory starter. People all know you and love you, and then suddenly they know you and love you right now. They look at you on the street in a very different way. Everybody kind of catches up, and goes: 'Oh, right! You're still here!' — and not only that, you're working harder than ever..."

Collins has had numerous ups and downs since the 1960s, including battles with alcoholism, allergies, hepatitis and bulimia that are discussed in her autobiography. Her son, Clark Taylor, the offspring of an early marriage, committed suicide last year in his early 30s, a topic she won't discuss. But she has survived the vagaries of a recording business that made her a star in the 1960s and 1970s, nearly ignored her in the 1980s and may be coming around to hear her anew.

Her last album, "Fires of Eden," was released in 1990 by Columbia Records. It was a largely forgettable soft-rock collection, though it did include Collins' own "Blizzard," an impressionistic song with rich Debussy-like harmonies. After the album sold poorly, Columbia dropped her. She has now signed with Geffen Records, where her first project will be an album of Bob Dylan songs. She also tours constantly.

While her pristine soprano seems to hark back to some rural Eden, Collins is no folk purist. In the early 1960s, she made her name performing traditional folk songs. But with her classical piano training and the example of her



Singer Judy Collins: Politics, books, garlic and song.

father, Chuck Collins, a pop singer, Collins didn't stick to the folk repertoire. "I was thinking Debussy and Chopin when everybody was thinking Pete Seeger," she said. "And I was raised on people like Rodgers and Hart, which my father sang to make a living. He was a great singer, and he always chose wonderful songs."

Collins, too, developed a reputation for picking songs well. As early as 1964, she began expanding her repertoire to what she calls "written songs" by the likes of Bob Dylan. By the late 1960s Collins was using orchestras as well as her lone guitar and was gathering songs from new writers like Randy Newman and Leonard Cohen, from the theater, from European cabaret and from any place else that sounded promising. Her 1967 hit, "Both Sides Now," was by Joni Mitchell, then unknown.

Collins was also beginning to write songs herself, beginning with the tender words of "Since You Asked." "I wrote it because Leonard challenged me," Collins said, her besonneted blue eyes flashing at the recollection. "He had given me 'Suzanne' and 'Dress Rehearsal Rag,' and he said there was no reason I shouldn't be writing my own songs. I had never even tried."

"I went to see my friend Bruce Langhorne, a guitarist. This was 1967. I gave him my notebooks, and I said, 'Now

I'm going to go out on the porch and I want you to look at these notebooks and tell me if there's anything even worth thinking about in here.' My heart was in my mouth as I turned my soul over to this man. I came back in, and he said: 'No, I don't think I see anything here. But why don't you try going back home and writing a series of songs about a relationship? Write five songs about the beginning, the middle and the end.' I did, and 'Since You Asked' was the first."

Collins had two unlikely hits in the 1970s: a 1970 version of "Amazing Grace" that sold a million copies and, in 1975, one of the first pop renditions of Stephen Sondheim's "Send in the Clowns." She has been accompanied by humback whales and rock bands, by huge choruses and her own solo piano. "I wasn't meant to just sing many versions of 'Both Sides Now,'" she said. "It has always been, how do I get to what's really me? It's been a struggle with record companies, it's been a struggle with myself, it's been a struggle with getting permission somehow to do it."

Although Collins doesn't sing protest songs, she has followed the route of many performers who came of age in the 1960s by playing innumerable benefits for candidates and causes. She met the president-to-be in 1991, when she was performing at a conference on women's issues in Chautauque, New York. He and his wife came backstage after the concert. "You can always tell the difference between people who are there just for business and those people who really love the music," Collins said.

They met again in June 1992, when by coincidence both Collins and the Clintons were staying at the Miramar hotel in Santa Monica, California. Clinton invited her for conversation, and she brought along her sister, her 10-year-old niece and her 8-month-old nephew. "It was about a half-hour of just laughing and talking and crying," she said. "I didn't really have to talk policy with him because he's for all the things I'm for: all the women's issues, all the health issues."

Collins performed for Clinton campaign fund-raisers, working especially on getting out the women's vote. And in January she sang for her candidate's pre-inauguration concert. "I don't think I was ever on the Mall before except to protest something that was going on in the government," Collins said. "Although one always feels wonderful about being part of a unified protest, there's something very satisfying about being there when your candidate won. And I'm a person who used to want to throw things at the television set when certain presidents spoke."

With the president as her press agent, Collins is not letting her momentum slacken. "This year there are going to be a few things that I want to get into place," she said briskly, her voice lifting toward a businesslike pitch. There's a "Best of Judy Collins" concert video to be sold via television that includes, she said, "a new version of 'Chelsea Morning' and new live versions of the classics." There's a Christmas album, which has to be finished by the end of May. There's a song book that will bring together Collins' own songs, and perhaps an album of her performances of them. She's also thinking of making an album of cowboy songs and one of Sondheim songs. And then there's her novel.

"It's about sex, drugs and rock 'n' roll," she said. "People are going to think I'm a wilder girl than I am. Having written autobiography for a long time, it was a great treat to be sprung from the facts and to be able to write fiction."

Clinton Don't Make Best-Dressed List

Pamela Hartman, the former Democratic Party hostess, is on the 1993 Best Dressed list, but Hillary Rodham Clinton didn't make it. The fashion publicist Eleanor Lambert, who started the poll in 1941, said the first lady wasn't nominated to be voted on by 400 fashion press and professionals because it "too soon." But she might make it next year. She has a new sense of herself, a new consciousness of her appearance. "President Bill Clinton also was not on the list, but John F. Kennedy Jr., assistant district attorney in New York, was. Among those on the women's list were the opera singer Jessye Norman, the New York socialite Amanda Burden and Mary Robinson, the president of Ireland."

Ross Perot has something to say about a new "Sesame Street" character, H. Ross Parrot. "Number one, the nose is too small," said the former presidential candidate on ABC's "Good Morning America." "Number two, it's not a real Texas accent — we've got to keep him there. Number three, my family loves it, my grandchildren love it. Number four, the Birds of the World organization is up in arms about it."

The search for a design for Germany's parliament in Berlin has been narrowed to three architects: Sir Norman Foster of Britain, Pritzker Prize winner, and the Spanish-born Santiago Calatrava. The Berlin architect Axel Schott, won the competition for the overall design of government buildings to flank the Reichstag.

The rapper Mackie Mack is apologized for racial violence dating back to his early teens. The 21-year-old rapper, whose full name is Mark Wallberg, was in Hawaii, but he issued an apology for the racial incidents and headed off a New York rally against his violent rights activists. "I am truly sorry, I was a teenager and idiot when I did these things," he said. "But that's no excuse."

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WEATHER

Table with weather forecasts for Europe, Asia, Africa, and Oceania. Columns include location, today's high/low, and tomorrow's high/low.

Forecast for Sunday through Tuesday. Includes maps of North America, Europe, and Asia with weather symbols (sun, clouds, rain, snow, wind) and descriptive text for each region.

Table with weather forecasts for Asia, Africa, and Latin America. Columns include location, today's high/low, and tomorrow's high/low.

BOOKS

ALADDIN'S PROBLEM
By Ernst Junger. Translated from the German by Joachim Neugroschel. 136 pages. \$19. Eridanos Library/Marsilio.
Reviewed by Thomas McGonigle
AT 97, Ernst Junger is one of Germany's and Europe's most distinguished writers. In a long and adventurous life Junger has been able to fulfill two-thirds of the famous prescription of Baudelaire: "There are but three things worthy of respect: the priest, the warrior and the poet. To know, to kill and to create."
Even before the first World War, Junger had run away from his conventional middle-class family and served in the French Foreign Le-

gion. During WWI itself he fought four years for Germany in the trenches and was wounded seven times. Two of his books about his wartime experiences have been translated as "The Storm of Steel" and "Cape 125." The first of these is a celebration of the exhilaration that Junger experienced during combat while leading a unit of shock troops. "It was," he writes, "a good and strenuous life and the war for all its destructiveness, was an incomparable schooling of the heart."
After the war Junger studied biology and pursued entomological research and published a number of books foretelling the rise of an inhuman technological society and the death of both the individual and of personal heroism. Recalled to the army at the outbreak of World War II, he served notably in Paris, where he was a sort of unofficial liaison between the German Army and French intellectuals. After the war, the novelist refused to submit to any Allied denazification procedure on the grounds that he had never been a Nazi.

In the years since then Junger has published a shelf of books: a series of visionary novels, an extensive diary that is a personal best-seller in France, entomological research papers, volumes of travel writings, and even a book of recounting his experiences under LSD.
In the newly translated "Aladdin's Problem," first published in 1983, Friedrich Baroh, disguised scion of an aristocratic German family, delivers a monologue about the aftermath of World War II in Poland; Baroh is drafted into the Polish army, rises quickly and then defects to the West where he goes to university, marries and takes a

position in his uncle's funeral parlor. After a visit to the cemetery at Verdun, Baroh conceives the idea of a vast mausoleum, to be built in Turkey, to provide a resting place for all the world's restless dead.
And Aladdin's problem? Junger reminds us, "Aladdin's lamp was made of pewter or copper, perhaps merely clay." Through its power "he could put up palaces or wipe out cities overnight. . . . The lamp guaranteed dominion as far as the frontiers of the traveled world — from China to Mauritania. Aladdin preferred the life of a minor despot. Our lamp is made of uranium. It establishes the same problem: power streaming toward us titanically."
Thomas McGonigle, the author of "Going to Patchoque" and "The Corpse Dream of N. Fetkov," wrote this for The Washington Post.

BLACK-HISTORY NOTABLES By Bert H. Kruse

ACROSS
1 "___ for All Seasons"
5 Mum, e.g.
9 Famous native
12 Hooded messiah
17 Access Williams
18 Hormone
21 Title for W. E. B. Du Bois
22 Boston
24 Finesse
25 River in Wales
26 Monograms of a certain Duke
27 Chum, for one
28 A three-time P.G.A. champ
29 Old city or Algonquian
31 Entertainer
32 Green
33 Campanella's closet
34 Articulate
35 College founder and adviser to Presidents
39 Greedy one
42 Some Bowie
43 Actress
44 Suit material
45 Department of Peru
46 W.W. II landing craft
47 Surrealism predecessor
49 Television
50 Course for young D.H. Williams
51 Basketball legend
54 Le___ (Clemenceau)
55 Kind of wheel
58 Pat contribution
59 Polynesian chestnut
60 First name of a January honoree
61 Singer Franklin and namesakes
63 "R.U.S."
64 Nuff, as in a used-car lot
65 Like Basie dance music, e.g.
66 Ancient Comb. form
67 Wing, to 54
68 Steve-rebellion leader Turner
69 Ron of Montgomery's bay boycott
70 Joint Chiefs of Staff chairman
72 "Bus Stop" dramatist
73 Theme
74 Dandipratt
75 Logos: Abbr.
78 Summer quacker
79 Larynx affliction
80 Doughboys, today
81 Did a smiddy's job
83 Loc. of Mayor Dinkins
84 Nobel Peace Prize winner: 1950
88 Coat with a metal alloy
89 Congressman Clayton Powell Jr. et al.
91 Babylonian sky god
92 Arboreal African rodent
94 Crunching sound
96 Spanish painter
97 Ark unit
98 Inhabitant: Suffolk
99 Fass Domino hit of 1954
100 Celebrated Lincoln Memorial soloist
104 Begun
105 In development
106 Quick pick-up-one
107 Valuable strings, briefly
108 Benign bump on the skin
109 Barbary swingers
110 Handle, in Le Havre
11 Tuskegee is one: Abbr.
12 Harlem Renaissance poet Cullen
13 Musical composition
14 Educator: Supreme Court Justice
15 Riotous in Scotland
16 Legacy of Aaron Douglas
19 Disburses
20 Spicy berry
21 Medications
23 Oahu Instr.
30 Emulated Niobe
31 Court break for Zina Garrison, e.g.
32 A creation of 85 Across
35 Confuse
11 Tuskagee is one: Abbr.
12 Harlem Renaissance poet Cullen
13 Musical composition
14 Educator: Supreme Court Justice
15 Riotous in Scotland
16 Legacy of Aaron Douglas
19 Disburses
20 Spicy berry
21 Medications
23 Oahu Instr.
30 Emulated Niobe
31 Court break for Zina Garrison, e.g.
32 A creation of 85 Across
35 Confuse

Solution to Puzzle of Feb. 13-14
1 Points the finger at
2 Memorable Supreme Court Justice
3 Dakota Indians
4 Initials at
5 "As might ___ to bring a dame"
6 A Spanish queen and namesakes
7 N.Y. summer time
8 Poppycock
9 Secret
10 Heyerdahl's "Kan-"
11 Tuskegee is one: Abbr.
12 Harlem Renaissance poet Cullen
13 Musical composition
14 Educator: Supreme Court Justice
15 Riotous in Scotland
16 Legacy of Aaron Douglas
19 Disburses
20 Spicy berry
21 Medications
23 Oahu Instr.
30 Emulated Niobe
31 Court break for Zina Garrison, e.g.
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